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*The United States Eroding Global Military Advantage; Is There
A Way Back?*

In Partial Fulfillment of the Requirements for the Degree

MASTER OF ARTS
in
INTERNATIONAL STUDIES

Fatima Munib
December 2019

University of San Francisco

Under the guidance and approval of the committee, and approval by all the members, this
thesis project has been accepted in partial fulfillment of the requirements for the degree.

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Abstract

This thesis explores the U.S. eroding global military advantage in light of the current changing security environment. First, I examine the process and type of erosion taking place. I expand the existing debate and show that the erosion is not defined in monetary terms but in terms of the declining U.S influence within the established rule-based international order. Secondly, I use China and Russia as case-studies to define the present geopolitical rivalries and the (re)emergence of revisionist powers. Both China and Russia aim to shape the emerging international order and threaten the U.S. national security with the increased inter-state competition. Thirdly, I employ the techniques of discourse, document and graph analyses to draw conclusions about the various factors contributing to the erosion.

These factors can be divided into two broad categories: the categories of internal and external factors. The internal factors encompass the U.S force posture in terms of its hardline policies as well as the increased concentration within the U.S military industrial complex which curbs competition and innovation and leads to controlled government contracts and the prioritization of corporate interests over national security interests. The external factors include the present global “disorder” characterized by inter-state competition, mainly Russia’s military advancement in the global defense industry and China’s expansionist economic and military agenda. China’s case-study concludes that its Belt Road Initiative is used as an economic tool for military expansion into various regions of Asia, Middle East and Africa. On the other hand, Russia’s case-study makes the connection between its increased market share in the global defense industry hampering U.S defense corporations’ arms sales and its challenge to the U.S influence in global affairs. While Russia provides a cost-conditionalities benefit to non-NATO members in its

arms sales, it also seeks to impact the future of the U.S. relationship with NATO, which contains military implications for Europe as well as for the global order.

Lastly, this thesis analyzes the shifting of alliances and the process of the formation of a new-world order in which the U. S. military superiority is at stake. It concludes that there is a way back for the United States to restore and sustain its global military edge based on the framework defined in my research. The findings and strategies outlined for restoration are subject to certain conditions and limitations which can determine the fate of the U.S. military might.

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Lastly, I dedicate this thesis and research to my father; Mr. Munib Ahmed, in gratitude for his influence and imprint on my life.

Chapter 1: Introduction

The globalized defense industrial complex has existed over decades with thriving American dominance. The current high rise of inter-state competition is a relatively new phenomenon. The United States is the number one military spender, and thus its global influence, cohesion among allies and partners, economic prosperity and national security are all strategically interlinked. The changing international order defined by shifts has developed complex challenges for the United States national security and global influence. This research's main purpose is to analyze America's eroding global military advantage being challenged. It reviews its path to restoring its global military competitive edge. The main contribution made to the existing literature is whether the United States will be able to restore its global military power or not. In the case that it can be successful what strategies can be adopted to regain its monopoly within the global defense market. The significance of whether the U.S can regain its uncontested power is not only a matter of concern for the national security of America but, also interests researchers and other countries since it defines the rules of the game within the international politics for the future.

The United States defense industrial base has various functions to perform and has a critical aspect in terms of economic output and national security. It not only provides support to economic prosperity for the U.S but also yields global competition amongst states. But recently the industrial base has been facing multiple challenges in the form of uncertainty in government spending, shifts in the global market, aggressive industrial policies of competitor nations and loss of vital skills in the domestic workforce. The 2017 National Security Strategy acknowledges a healthy defense industrial base to be an important element of the U.S power and its national security innovation

base but, at the same time expands the debate about how the manufacturing and defense industrial base is under threat. ¹

For decades the United States has enjoyed its dominance in the global order. This dominance was primarily characterized by the exercise of military power in terms of arms production and trade. Within this imperial grand strategy, the United States was the most powerful actor in maintaining its hegemony through military power and establishing a unipolar world order whereby, it had no other peer competitor. ² On the contrary, it now faces various challenges within the global security order as China's economic and military expansion is at its peak. Despite America maintaining its dominance to quite an extent, China has managed to dominate the region side-by-side too creating a multipolarity whereby both powers are operating at the front wicket. This military challenge is accompanied by economic expansion in terms of heavy trade and investment by China. Not only does the United States face its global military dominance being challenged in but with China's economic dominance a dual-hierarchy has been established at the global scale.

This changing strategic environment for the United States is countered by China and Russia; both competing with the United States global positioning. With an end of the INF treaty, the future for U.S-Russian strategic stability is in question too. The country is no longer under the obligation of arms control agreements and can operate freely. In terms of competing with United States military domination, Russia is not too far behind either. While the United States share of

¹ *"Assessing and Strengthening the Manufacturing and Defense ..."* Accessed June 7, 2019.

² Chomsky, Noam. *"Imperial Grand Strategy."* In *Hegemony or Survival*, 11-12.

major arms exports comprises of 36%, Russia stands at 21%. ³ A dominant pattern to observe that has various implications for the United States is that despite Russia's declining sales over the past five years it remains the second-largest arms exporter. Moreover, it has various programs running to modernize their weapons and further boost its weapons industry as well.

The shift from a unipolar world order to a multipolar stage is faced by various competitors challenging the United States military industrial base and expanding their own global market share. This shift and fear of losing more dominance is evident in the United States National Defense Strategy too, which itself has experienced changes over the past two decades. The official rhetoric of the National Defense strategy of 2002 draws a picture representing how the strength of U.S forces restrict other countries from maximizing their military power. But on the other hand, as compared to the National Defense Strategy of 2018 the rise of fear is evident within the U.S policy. The report states that the United States is facing a global disorder which has also further caused a challenge for its long-standing international order and more importantly, the erosion of its military advantage too. The acknowledgement of the complex global security order by the U.S National Defense Strategy raises various questions regarding the future actions of the once global power and its various implications for military power and arms trade. ⁴

³ Abramson, Jeff. "U.S. Leads Rising Global Arms Trade."

⁴ *The National Security Strategy - U.S. Department of State.* Accessed April 20, 2019.
<https://www.state.gov/documents/organization/63562.pdf>.

Considering these shifts, this study examines the United States eroding global military advantage and whether there is a way back. It covers a genealogy of the established power regarding the globalization of the defense industrial complex and the changing global security order. A few case-studies are used as a tool to understand the process of shift in U.S arms trade in terms of its trading partners diversifying their options and lastly, evaluating the national defense strategy. The thesis reviews national defense strategy, the ineffective policies that led to the erosion of global military might and finally concludes whether there is a way back to establish a monopoly in the globalized defense industrial complex.

Global Military Advantage

This study defines global military advantage in terms of how the United States was an uncontested power within the international order, exercising its influence, aggression and force posture without the presence of competition. It now faces challenges as the changing security environment with the rising inter-state competition, and regional powers like China and Russia are actively competing with the U.S. In addition to that, the reemergence of revisionist powers poses a threat to the existing order of alliances thus, bringing about a shift in alliances.

It is important to observe the trend of global activities to understand how U.S global military superiority is not decreasing in monetary terms; therefore, the sales and profits can reflect an increase for the defense industry. But the United States influence, and exercise of power is the main determinant for measuring the erosion of its military influence. According to SIPRI Yearbook 2019 on armaments, disarmament and international security military spending, arms

transfers, and the incidence of armed conflict worldwide has been on the rise. But more specifically the United States has paved its way to strategic nuclear renewal, whereby it is enhancing and modernizing nuclear weapons as well as expanding its program of ballistic missile defense. Tracking these trends, it can easily be concluded that the U.S global military advantage is not subject to erosion however; the erosion is measured in terms of its positioning within the international security environment and the extent to which it can influence other states.

The recent drift into global instability was observed in 2018 by continuing tensions between the West and Russia, a US-China trade war was on the rise and the power struggle between Iran and Saudi Arabia, pitching them on opposite sides of the armed conflicts in Iraq, Syria and Yemen. This thesis revolves around the main concept that US global military lead is decreasing in terms of dominance which refers to how various countries opt for trading with other key states that are non-U. S allies. Even though the United States yields great profits in terms of arms sales nevertheless, it is no longer in the position to use force against countries, such as the case of Turkey's acquisition of Russian arms affecting U.S sales.

Chapter 2: Literature Review

The following section will present an interplay of various theories and existing discourse in the context of how they dominate the field of international relations. The broader debate will engage the theory of realism, neorealist theory and deterrence theory. The narrowed down literature on United States global military advantage will provide two divisions of work, firstly; a case for the U.S military power, and secondly an alternative study against the topic. The debate against the U.S military power includes the new international order, erosion of the global military edge, the case against U.S arms monopoly and the risk factors causing inefficiency within the American military industrial complex. The category providing alternative literature includes the trends in U.S defense activities and enhancing the U.S military-industrial complex.

The theory of realism dominated the Cold War period and depicts international affairs as a constant struggle of power, with bleak hope to avoid conflict and war. The United States long status of a global hegemon being challenged portrays the struggle of power clearly. Classical realists such as Morgenthau represent a raw picture of realism, whereby states possess an ‘innate desire to dominate others’ like human nature. He further examined the multipolar balance-of-power system and characterized the bipolar rivalry between the United States and the Soviet as dangerous. Yet, in today's world despite having various powers competing within the multipolar international order is still seen to be dangerous as countries like China, Russia and India are increasingly growing, challenging the United States as a global hegemon.

In contrast to the theory of realism, Kenneth Waltz neorealist theory is better applicable in the interstate competition dominating today's security environment. Waltz explanation of the international system identified by various great powers, each seeking for survival draws a clear picture of how the American hegemony has been challenged by other powers and therefore, each great power is attempting to survive. The United States eroding global military power cannot be observed in isolation and therefore, its connection with the former as a global power is necessary to make.⁵ The United States as the only global power was to quite an extent characterized by its uncontested dominance. This type of dominance allowed it to exercise power in whatever way that best served its interest. The National Defense Strategy 2018, explicitly outlines, 'We could generally deploy our forces when we wanted, assemble them where we wanted, and operate how we wanted. Today, every domain is contested - air, land, sea, space and cyberspace'. Not only does the Defense Strategy acknowledge the competition it faces but also how it is widespread in every domain where power can be utilized. Therefore, Waltz idea of power and survival by great powers is evident within policy-making and strategies in today's competitive security environment.⁶

The United States uses the policy of force and hard power to maintain its status-quo in the international security environment. Nonetheless, it is questionable whether the use of hard power creates deterrence or has the United States observed a pattern of balancing powers by utilizing the use of force. Stephen Quackenbush's work on deterrence theory sees the use of threat by various states as a tool to maintain the status quo whereas Frank Zagare regards the deterrence theory as

⁵ Waltz, Kenneth N. "The Origins of War in Neorealist Theory." *The Journal of Interdisciplinary History* 18, no. 4 (1988): 615-28. doi:10.2307/204817.

⁶ *The National Security Strategy - U.S. Department of State.* Accessed April 20, 2019.

an offshoot of the balance of power theory. William Kaufmann also attempts to evaluate that when two states exercise equal power, each one of them will be deterred thus, neither will be able to gain an advantage on the other state.⁷ But, the question of how relevant deterrence is in today's international order is still very relevant, considering deterrence might be the problem and not the solution. In hope of exercising deterrence as power, military domination for each state has become a primary concern therefore, inter-state competition being at rise.

New International Order

Moving along the years, recent work in the field of international studies has witnessed various patterns of change. The changing nature of war, conflict, power, and global security order is also presented in Joseph Nye's work on Changing Nature of World Power. Nye unpacks the new international order which is no more dominated by military power rather, economic, educational and technological power is seen to play a more dominant role. Robert Keohane also agrees with Nye on the crucial role of multinational corporations, nongovernmental organizations, and global financial markets in international politics.⁸

Various contemporary scholars have also stressed upon the dramatic growth of economic interdependence in terms of international trade and capital flows serving as a tool for political

⁷ Kaufmann, William W., "The Requirements of Deterrence" 1945 November 15. Henry A. Kissinger Papers, Part II (MS 1981). Manuscripts and Archives, Yale University Library.

⁸ Keohane, Robert O., and Joseph S. Nye. "Power and Interdependence in the Information Age." In *Governance.com: Democracy in the Information Age*, edited by Kamarck Elaine Ciulla and Nye Joseph S., 161-78. Washington, D.C.: Brookings Institution Press, 2002.

cooperation and in addition to that, also a means to expand power. Moreover, widespread literature focuses on the relationship between economic interdependence and international conflict and on the political economy of economic sanctions.’ Jean and Edward in their article on the Political Economy of National Security: Economic statecraft, interdependence, and international conflict present the interlinkage between international economic and military conflict which is crucial to the political economy of national security. Various aspects of this economic-military collaboration have been advanced, firstly is that interstate hostilities are inhibited by trade agreements in the international market and further also limit the chances of territorial expansion and foreign aggression. Trade expansion can benefit the political economy however, in case of increased trade barriers the space for economic conflicts can also lead to a political-military disagreement.⁹

The economic-military nexus can also be observed in the United States Defense Strategy. Despite desperate efforts being made by the American government to curtail the erosion of its global military edge, various countries such as Turkey and Russia are engaging in military trade that is hampering the American corporations such as Lockheed Martin and United Technologies. Therefore, the political economy of national security and economic sanctions in the case of the U.S is an important aspect to explore for understanding how the military might is being damaged. Turkey best fits as an example of the interplay between the political economy of national security and economic sanctions. Its recent military spending has increased by 24% in 2018 to \$19 billion.

⁹ Jean-Marc F. Blanchard, Edward D. Mansfield & Norrin M. Ripsman (1999) *The political economy of national security: Economic statecraft, interdependence, and international conflict*, *Security Studies*, 9:1-2, 1-14, DOI: 10.1080/09636419908429393

Among the world's top 15 military spenders, this is observed to be the highest annual percentage rise.¹⁰

Moreover, the political economy of sanctions has played a crucial role between U.S-Turkey ties since, Turkey is advancing towards buying Russian S-400 missile defense system. According to Washington the S-400 lacks compatibility with NATO systems and therefore, threatens Lockheed Martin F-35 fighter jets - as Turkey could be a potential buyer and partner in production. This not only highlights the conflict of interests within the globalized military-industrial complex, but also symbolizes the power of international corporations in the security environment. Furthermore, Washington has threatened Turkey of potential economic sanctions in case Turkey does not back down from the deal.¹¹ The nexus of economic interests and sanctions shapes the United States force posture towards other states in guarding its own interests in order to boost its global military dominance. Nonetheless, its force posture and use of hard power in terms of sanctions might not be the best strategy to overcome its eroding global military power.

Erosion of Global Military Advantage

The discourse in the field of international relations has witnessed debates regarding the decline of the United States military power. Not only academic and scholarly work reflect the

¹⁰ Mehta, Aaron. "Here's How Much Global Military Spending Rose in 2018." *Defense News*. April 29, 2019. <https://www.defensenews.com/global/2019/04/28/heres-how-much-global-military-spending-rose-in-2018/>.

¹¹ "Turkey Not Distancing Itself from NATO with Russian Missiles Deal:" *Reuters*. May 03, 2019. Accessed June 07, 2019. <https://www.reuters.com/article/us-turkey-usa-security/turkey-not-distancing-itself-from-nato-with-russian-missiles-deal-minister-idUSKCNIS900B>.

decline of the United States military power but also the 2018 National Defense Strategy of the United States acknowledges the erosion of their competitive military edge within the international order. It identifies how terrorism is no more the main concern rather, inter-state competition has implications for its national security. Therefore, the threat to America's global military advantage is important to understand to predict the long-term security environment. The erosion of the American military supremacy is witnessed not in the shifting global market share rather, the rise of competition it faces from revisionist powers.

Even though the United States still is the number one military expenditure, other countries such as China and Russia are also competing at a fast rate.¹² The following figure reflects how Russia and China's military spending has been increasing over the years. China has been continuously increasing its military spending and its spending is ten times more now than it was in 1994, therefore, the United States being number one in military spending cannot be viewed in isolation.¹³ It is important to compare and consider other countries and their trajectory of arms sales and military power to determine how the U.S military power is in decline.

¹² *The National Security Strategy - U.S. Department of State.* Accessed April 20, 2019.
<https://www.state.gov/documents/organization/63562.pdf>.

¹³ Wezeman, Siemon T. "China, Russia and the Shifting Landscape of Arms Sales." *SIPRI*. Accessed June 10, 2019.

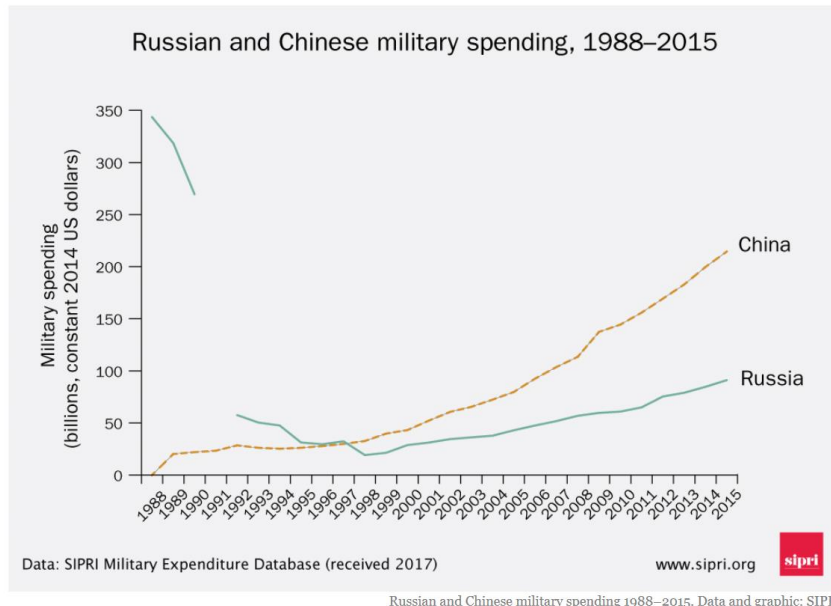


Figure 1: Russian and Chinese Military Spending 1998-2015

The United States leading global arms trade also allows it to achieve diplomatic and security objectives within regions but considering that other countries such as Russia and China are also leading within the global market, the former faces drastic change in terms of competition. There are various countries where Russia and the U.S both compete for absolute monopoly, and the latter is observed to face tough competition. In the case of India, Russia remains the top arms supplier whereas the U.S holds second position. To maneuver the strong hold on India as a trading partner, the U.S wants to exercise its diplomatic efforts in restricting Russia's control within the market. Overall, the decline of U.S military power is on its rise, at the same time it is important to question whether strategic policy-making can be fruitful in paving the way back to the international

order where the United States was the only power possessing absolute monopoly and superiority.

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The Case Against U.S Arms Monopoly

Christopher Coyne in his work on *The Case Against a U.S.-Arms Monopoly* presents how the U.S being the dominant player in the global arms market yields various benefits. The monopoly allows it to balance global and regional stability as well as safeguard its own national interests and domestic economic interests. The arms sales are not only a monetary gain for the U.S, but also acts as a geopolitical tool whereby selling weapons to foreign nation states, the U.S establishes ties with other regimes and thus, secures its national interests and policy objectives. Coyne expands the notion of arms sales into the idea of how the U.S utilizes weapon sales as a payment to safeguard strategic commodities such as oil and other assets like military bases.

United States achieves its interests through multiple means. Coyne refers to military bases as one of those means to address its interests and make strategic choices. Utilizing various military bases acts as U.S attempts to expand and promote its influence within different regions. The complexity of political landscape within different regions compels United States to establish its military presence. With U.S military bases established in different regions it enables it to retain its forward presence. In East Asia and Europe, it already has military presence however, it further expands its presence across Southeast Asia and Middle East as its key economic and political

¹⁴ Mehta, Aaron. "Here's How Much Global Military Spending Rose in 2018." *Defense News*. April 29, 2019.

interests' surface within the region. The perspectives put forward in the report on U.S. Overseas Military Presence by RAND Corporation suggests how the U.S would need to expand its hold in Asia to deter Chinese and North Korean military expansion whereas, in the Middle East the same formula would be applied against Iran. But despite using the same formula, it can be observed that within today's political environment Syria is another key concern. Meanwhile, in Europe the U.S had NATO allies and partners to reassure any potential threats but, with the changing security environment NATO members such as Turkey also pose a threat in terms of Russia's influence over key NATO members. Saudi Arabia and India are also key allies in maneuvering for the U.S in times of military response, but China's economic investments and the state of dependency created by China will raise security concerns for the U.S influence.¹⁵

Coyne further identifies the principal-agent problem for the U.S when carrying out arms sales to other governments and groups. Though, the U.S attempts in maximizing its power within regions and to achieve its foreign policy goals, it overlooks the process of monitoring once transferred. Therefore, despite selling weapons to allies it fails to investigate how the weapons can be utilized and be transferred to other states that may achieve anti-American interests thus, undermining the U.S dominant superiority in the international security environment. An example that best reflects the principal-agent problem is U.S supply of over \$47 million in arms to Israel which ended up in Nahum Manbar, an Israeli businessman involved in providing information and supplies for chemical weapons to Iran.¹⁶

¹⁵ Lynn E. and Melanie W., "Looming Strategic Choices for U.S. Overseas Military Presence," RAND Corporation, September 11, 2012, <https://www.rand.org/pubs/monographs/MG1211.html>

¹⁶ Coyne, Christopher J., and Abigail R. Hall. "The Case against a U.S.-Arms Monopoly." *SSRN Electronic Journal*, 2013. doi:10.2139/ssrn.2326060.

Risk Factors Affecting America's Industrial Base

The Manufacturing and Defense Industrial Base report presented by Interagency Task Force explores the macro forces that are identified as the root causes of the declining industrial base. The five risk factors highlighted are sequestration and uncertainty of U.S government spending, decline of U.S manufacturing base capabilities and capacity, deleterious U.S government business and procurement practices, industrial policies of competitor nations and lastly, diminishing U.S STEM and trade skills. The most important aspects are firstly, the U.S government spending in terms of uncertainty about future budgets as well as the government expenditure which therefore, creates market instability.

Secondly, the decline of the U.S manufacturing base capabilities and capacity is another significant factor contributing to the decline, in terms of hampered production resulting in spiraling effect on supply chain. Therefore, within the globalized defense industrial complex a reduced supply by the American industrial base has already led to other competitors capturing potential trading partners thus, resulting in the slow-poisoning erosion of U.S military advantage. The gap between the globalized rising demand and supply will allow other competitors to sell at a lower price. Furthermore, the decline of U.S manufacturing sector which is not only the backbone of U.S military technical ability, but also contributes to the economy; 9% of employment, 12% of GDP, 60% of exports, 55% of patents and 70% of research and development – thus, will damage the economic production at a great scale.¹⁷

¹⁷ "Assessing and Strengthening the Manufacturing and Defense ..." Accessed June 7, 2019.
<https://www.govinfo.gov/metadata/granule/FR-2017-07-26/2017-15860/mods.xml>.

The third factor which is yet the most important factor is the industrial policies of competitor nations, such as China. It is important to mention that almost half of U.S trade deficit in goods is with China, which was for \$375 billion in 2017. Many countries have managed to target United States industrial base, but China has been the most successful in boosting their economy at the expense of America's manufacturing sector. The role of China's economic expansion is a crucial threat to U.S military power regarding the former adopting military modernization as well which is codified in its civil-military fusion. This type of fusion is much different from the strategies adopted by the U.S to maintain its power within regions, since along military modernization China has developed its infrastructural bases across Eurasia which allows it to expand its military might too. Therefore, understanding China's economic growth is essential in comprehending its military modernization since the finance gained from growth is utilized for military expansion. It is important to note the U.S trade deficit is in terms of overall goods and not limited to defense goods but, despite that the economic deficit impacts the U.S economy at large.

China's economic growth has a directly proportional relationship with its military budget. China joined the World Trade Organization in 2001 with a gross domestic growing more than 300%, jumping from \$2.4 trillion to \$10.2 trillion in 2017 whereas; the U.S real gross domestic product grew only less than 40% i.e. from \$12.8 trillion to \$17.3 trillion. (Figure 1)

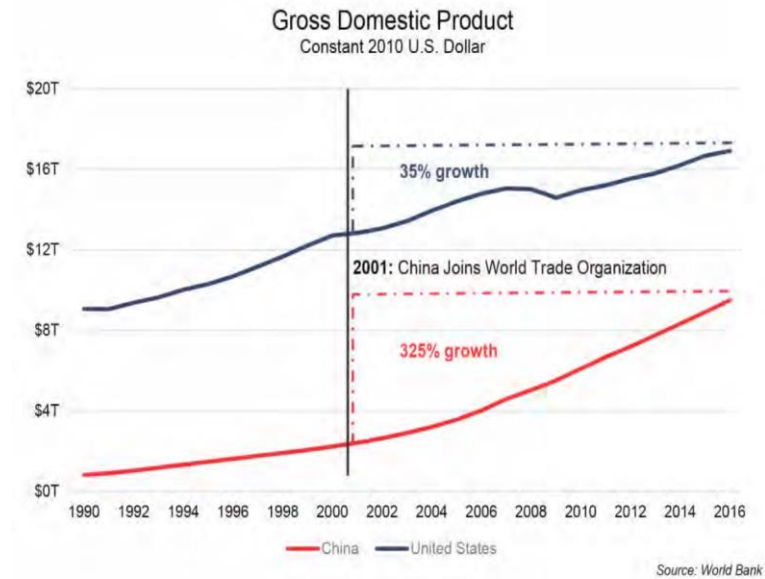


Figure 2: China's Gross Domestic Growth (post joining WTO)

Comparing economic growth to military budget reflects how both these variables have a positive impact on each other. From 2001 till 2007 China's annual military budget rose from \$20 billion to \$150 billion. According to one of the findings of the Manufacturing and Defense Industrial Base report presented by Interagency Task Force China is progressing and growing the risk it places on the supply of materials and technologies which are strategically crucial to the national security of the United States. The areas that threaten America's defense industrial base are specific metals, alloys and some magnets.¹⁸

¹⁸ "Assessing and Strengthening the Manufacturing and Defense ..." Accessed June 7, 2019. <https://www.govinfo.gov/metadata/granule/FR-2017-07-26/2017-15860/mods.xml>.

China's rapid technological advancement and its trade war with the U.S accompanied by its aggressive trade and infrastructural policies like the One Belt, One Road Initiative threaten the U.S global military advantage. On the other hand, China is benefited with an exercise of control in diplomatic and security objectives; a privilege that the U.S enjoyed within the rules-based international order. With the erosion of the global military might and rise of inter-state competition U.S can be observed to losing its position in exercising uncontested dominance within the international order.

Trends in U.S Global Defense Activities

U.S defense is characterized by a few dominant trends. Firstly, the U.S defense spending is rising, and more revenue generation is expected, yet trends show a decline in the rise itself. The defense budget increased by more than 10% in fiscal year 2018 to \$590 billion but, in the fiscal year 2019 the defense industry observed a rise of only 3% to \$606 billion. Therefore, the difference in the rise of defense budget and the pace it grows at depends on multiple factors such as, which segment of the market is targeted for growth and what strategic decisions are taken by companies. Overall, the long-term growth possibility is uncertain due to political issues. These political issues range from India and Turkey's strengthening trade ties with Russia, China's economic investments in the Middle East, Asia and Africa. But at the same time, Saudi regimes ties with the U.S is of a great deal in terms of arms trade and in support for U.S against Iran. Despite, increasing threats from rivals like Russia and China which push the U.S for a stronger military there has been growth in fiscal deficit which could also limit defense spending in the future.

Secondly, the U.S still wants to specialize in advanced technology at an economical cost despite overall increased defense spending. Many contractors have also been demanding suppliers to reduce costs therefore, most companies have worked towards their cost structures with an aim of being more competitive, but even then, most of these savings trickle down to customers limiting material advancement in profits. Thirdly, another trend observed is that companies within the defense sector have increased mergers and acquisitions activity and this is seen to rise in the coming years. An example of mergers is Harris Corp. and L3 Technologies Inc., meanwhile, other large prime contractors such as Boeing, Raytheon and Lockheed Martin continue to acquire smaller companies to expand new technologies. The defense industry remains competitive and though the competition can be productive, it also causes inefficiency at a national scale. The section on competition and centralization which generates inefficiency of the U.S arms industry causing the erosion of the global military advantage will be further unpacked in detail.

Lastly, an overall decline in global economy is observed and even though the U.S defense industry is not affected by short-term economic conditions, an international slowing down of economic activity and the demand from other states can have a negative impact on the U.S arms trade. ¹⁹

¹⁹ Christopher DeNicolo and David Matthews, *“Industry Top Trends 2019,” S&P Global Ratings*

Sustaining and Enhancing the U.S Military's Technological Edge

Flournoy and Robert's work on how US can sustain and enhance its military's technological superiority provides an alternate approach to the research topic.²⁰ The argument presented in this thesis is most relevant to Flournoy and Robert's work which provides both sides of the topic. The factors influencing erosion, and how the military power can be preserved, restored and enhanced. Nonetheless, the gap within the literature remains which is addressed in this thesis; whether there is a way back to the erosion of the United States global military edge?

It regards how the successful process of sustaining and enhancing its military technological effect will contribute to the restoration of the global military might. The author expands how the United States has been superior in terms of its military and technological advantage over its competitors for decades. Its technological skill set and the Department of Defense role's efficiency in developing and integrating new, cutting-edge capabilities which include C4SIR, network command, control, communications, computers, intelligence, surveillance and reconnaissance has been a crucial mode of strength.

Despite all the positives, the paper further moves on to unfold the new challenges. The United States can no longer completely rely on its military and technological power. There are various reasons and challenges that have changed the status-quo of America's military industrial complex. Firstly, competitors like China and Russia are heavily investing in their military and technological base in order to compete directly with the U.S military might. China is not only

²⁰ Flournoy, Michele, and Robert P. Lyons. "Sustaining and Enhancing the US Military's Technology Edge" 10 (n.d.). https://www.jstor.org/stable/26271502?seq=1#metadata_info_tab_contents.

specializing in military strength but also broadening its economic power through its Belt and Road initiative (BRI) development project.

The effort to sustain and enhance the US military and technological might is already in the process. The U.S has explicitly outlined in its National Defense Strategy that it needs to counter the inter-state competition which is now its primary concern compared to terrorism that defined the last decade in terms of U.S national security interest. The steps taken now to sustain its existing military edge and further enhance it will affect the future international order. Flournoy and Robert provide ten actions that can be strategized to protect US military superiority.

Firstly, to create a sense of urgency within the DOD. This strategy focuses on the departments clear vision and urgent action on sustaining US military might. In order to promote the protection and enhancement the strategy recommends defense leaders create a ‘team of teams’ approach which is somewhat like the Joint Special Operations Task Force mode. This approach can be utilized to set a shared goal for innovation and translating the decentralized decision-making. Secondly, to build the momentum of already existing DOD efforts. This would allow implementing a third “offset strategy”. This would focus on preserving the US military might in terms of global power projection. The momentum on this strategy should be maintained and pursued continuously. Thirdly, to create a healthy competition which works on the challenges the U.S would face in the coming decades. This being a very crucial factor, further expanded in this thesis regarding the damaging effects of reduced competition within the United States defense industry.

Another strategy is to *‘eliminate the barriers between those who define requirements, those who acquire systems, and those who will ultimately use them.’* That expands on how there should

be coordination and communication between different communities representing the same agenda. Moreover, the problem of competition between the US military industrial complex needs to be addressed by ‘creating a safe space for deeper dialogue and engagement with industry, both traditional defense industry and commercial companies.’ This would allow collaborative brainstorming and innovation possible. Currently, it is difficult for DOD officials to have a healthy dialogue with leaders from within the industry about various problems being faced by the U.S military and explore any possible solutions. The increase of investment in activities that drive innovation would also serve as a tool to protect the US military superiority.

Moreover, the author identifies enhancement of ‘DOD’s ability to work with the most innovative companies in the commercial tech sector’ as a strategy that can yield positive outcomes. The increase in more rapid and flexible acquisition authorities to accelerate acquisition is vital but even then, requires government plans and more incentives. Empowering professionals throughout the stages of the process and further, strengthen accountability for performance in acquisition is yet another booster for sustaining the defense capabilities. This will lead to the improvement of DOD’s ability to provide war-fighting capabilities. Lastly, to support and accelerate congressional effort in order to reform the acquisition system.

The U.S cannot succeed in sustaining and enhancing military and technological strength unless a healthier and balanced defense budget is created that allows expanded innovation and acquisition. To protect the national security interest of the United States it is crucial to uphold and enhance the U.S military’s technological edge.²¹

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Chapter 3: Methodology

This paper will qualitatively examine a set of documents and data available for addressing the research question. It will draw much of its findings through document analysis from U.S government websites such as the U.S Department of Defense. Furthermore, the documents would include public military power publications, national defense strategies, annual reports and publications. This thesis will also explore the economics of the U.S defense industry in terms of various important companies such as Raytheon, Boeing, and Lockheed Martin. It will categorize how profit-seeking corporations have a great contribution in the defense industrial complex as well as the erosion of dominance over the years. Lastly, Stockholm International Peace Research Institute database will be used to measure top importers and exporters of arms trade as well as to observe changes in the patterns of trade.

Considering the information available as well as data limitations, this thesis relies heavily on document analysis that are available in open sources. This thesis clearly illustrates the erosion of U.S military dominance and how it has evolved as a process over the decades. It aims to use relevant findings from government documents, multiple corporations' annual reports and SIPRI's databases to explore whether the U.S can regain its uncontested military dominance.

Limitations

Research on the defense industry of the United States of America is often faced by data constraints. Various limitations are due to the sensitivity of national security and thus, researchers utilize a mix of strategies to explore the field of arms trade and patterns. Detailed information

regarding arms supply, trade and deals lacks transparency and accountability. Therefore, this research is also faced by similar challenges.

The nature of this research requires careful observation and data analysis of information related to military and national security. It is prone to various limitations which defines this study. Firstly, the existing literature indicates that research on this topic does not provide hidden vested-interests and costs of various arms sales. These vested-interests refer to loopholes that are not addressed in open source data. For e.g. why the United States sells weapons to undemocratic regimes such as, Saudi Arabia. Therefore, a major aspect of U.S military dominance cannot be explored.

Secondly, this research is also restricted based on a given time-frame. It lasts roughly six months to a year therefore; this research is outlined in multiple phases. It introduces the globalization of the defense industrial complex, and further addresses the changing strategic security environment at the international scale; the reemergence of revisionist powers threatening the existing international order. Moreover, it explores various shifts in the U.S arms trade, analyzes the U.S defense industry's capabilities and evaluates the U.S national defense strategy before presenting the findings to determine if there is a process to regain the military power and if so, what strategies can be utilized.

Lastly field work is not explored as an option within this research. The United States military dominance and its process of erosion is a sensitive topic and is of national interest. Therefore, experts within the field refrain from providing information which isn't already available to the public.

Chapter 4: Case-studies

The following section explores whether United States global military edge is eroding or not. Two main case-studies analyzed within this section are China and Russia. A detailed examination of these case-studies is carried out to investigate defense policies, trends of their military sales and the impact it has on shifting allegiances in the international order leading to the erosion of U.S military presence. These case-studies define whether the erosion of American global military presence is a permanent phenomenon or not. This research will further determine whether there is a way back or not; and if there is a way back what are the strategies that can be adopted to restore or sustain the U.S military power and presence within the international order.

Despite enjoying decades of powerful military influence with added technological advantage, the U.S now does face competition by its adversaries. United States is no longer the superpower that could exercise its military strength almost in every domain. It faces pressure from powers like China and Russia, both heavily investing in their military industrial base with an aim of countering U.S military power and, addressing U.S vulnerabilities within different regions.²²

Each of the case-study within this section will target the countries positioning to be a competitive threat to the United States. The first case-study is China which explores military sales and presence of China in Asia, Middle East and Africa. It will cover firstly, the defense strategy of China over the past decade before moving on to the analysis of its decade long strategy shift.

²² Flournoy, Michèle A., and Robert P. Lyons. "Sustaining and Enhancing the US Military's Technology Edge." *Strategic Studies Quarterly* 10, no. 2 (2016): 3-13. <http://www.jstor.org/stable/26271502>.

Secondly, it will unpack China's economic expansion and its Belt Road initiative to be a tool of undercover military expansion.

The second case-study is of Russia which unpacks a brief introduction of Russia's defense industry in terms of how it competes within the global market with the United States. It addresses the comparison between both competitors in terms of what the Russian arms offer that the U.S arms don't. It further examines its military presence in Eurasia, specifically in Turkey and India. The former being a NATO member and a not so accepted ally of the United States anymore. In contrast to Turkey, India being a key ally of the U.S. Both cases investigate Russian military advancement within the latter's defense market.

A. China

China's process and growth over the years has seen various shifts and trends in terms of its economic and defense policy. China was the second biggest spender in 2018, account falling within the 60% of global military spending.²³ It can be classified into three phases beginning from 2010 till 2019. The three phases that are examined within this research range from 2008-2010, 2010-2014 and 2014-2019.

These time ranges broadly explore China's overall growth, and specifically study its defense strategy. Each phase investigates the defense policy changes and China's fundamental security interests in terms of the changing security environment within the international order. Each phase is identified by a certain trend. China's 2010 defense policy is characterized by

²³ "Trends in World Military Expenditure, 2018." *SIPRI Fact Sheet 2019*, n.d.

strategic economic opportunities however, an overall favorable security environment. Following 2014's defense policy, dominated by unprecedented challenges while being at a critical stage of reform and development. A key trend to observe was China's goal to be able to carry out a counter-nuclear attack. Both phases witnessed a balanced defense policy with an aim to strengthen China's defense base and resist aggression but specifically, the defense policy of 2019 identifies a 'New Era' whereby the international military is undergoing historic changes. It characterizes US as a provoking agent to rising competition and incorporates the changing nature of war whereby, the development of technology in the military field is seen as a must.

China's Defense Policy 2010

China's defense policy in 2010 was a period characterized by strategic economic opportunities, and an overall favorable security environment. It was successful to counter its financial crisis and maintained a balanced economic growth. At a regional scale it was reinforcing cordial relations with neighboring countries. Its defense strategy remained defensive in nature. It focused on China's modernization through building and laying the foundations of a strong national defense and armed forces. Despite having a defense strategy that was defensive in nature, it was determined by a development path. Its fundamental aim was to defend national security interest in terms of resisting aggression and protecting China's lands, inland waters, territorial waters, airspace, maritime rights and cyberspace.

China's security challenges are complex in nature due to its vast territories and territorial seas. Therefore, despite possessing steady economic growth and balanced security environment

the 2010 National Defense Policy identifies Taiwan's independence as its biggest obstacle. The separatist forces and their activities were perceived as a threat to China in terms of its cross-Strait relations. Even though progress regarding adhering 1992 consensus (recognizing One China) enhanced mutual trust and bilateral terms, it still regards Taiwan as a threat to its defense.

China's Defense Policy of 2010 not only recognized Taiwan as a threat rather, explicitly identifies the United States heavily hampering Sino-US relations by selling weapons to Taiwan. It perceives that the United States is damaging the peaceful security environment of cross-Strait relations.²⁴

China's Defense Policy 2014

China's defense policy in 2014 labeled the world facing unprecedented challenges. It recognized China being at a critical stage of reform and development. Very different from the defense policy of 2010, the Chinese dream was highlighted as pursuing a peaceful development path whereby, a stable security environment would provide China with greater opportunities. However, along the era of reform and development China aimed to stick to its independent foreign policy, and a defense policy that is defensive in nature in order to pave its way in opposing hegemony and power politics. The 2014 policy outlines China's unwillingness to seek expansion.

China's military strategy was to adapt with the changing security environment by strongly adhering to the goal of the Communist Party of China to build a solid military that can counter

²⁴ Jianing, Yao. "China's National Defense in 2010." *Ministry of National Defense*. Accessed September 28, 2019. http://eng.mod.gov.cn/publications/2017-04/11/content_4778206.htm

every new situation. It focused on modernizing of national defense and its armed forces in order to safeguard China's sovereignty, national security and economic development interests. China's 2014 defense policy associates the global order being multi-polar and economic globalization accelerating to Asia-Pacific regions, whereas the US is on its effort to rebalance the security environment in the region. China's territorial and maritime interests are of key concern and thus, considering these factors China plans to build a stronger and more secure defense strategy.

The 2014 defense policy unpacks various strategic tasks, out of which the most thought-provoking is to deal with military threats and be able to carry out a counter-nuclear attack. Despite from what the defense policy enunciates, it is not guaranteed whether China would use its nuclear power for countering purpose only. The trend of adapting to new security challenges is a sign to predict that China can change its defense policy from defensive posture to a force posture.

The changing circumstances and conditions need to be predicted, in order to assess when and how China would switch its posture from defensive to an aggressive one. These shifting conditions and adaptation to new security challenges also include that, '*The PLA Navy will enhance its capabilities for strategic deterrence and counterattack, maritime maneuvers, joint operations at sea, comprehensive defense and comprehensive support*' which is now evident in its logistic base in Djibouti.²⁵ The case of Djibouti and how Chinese defense strategy has expanded beyond borders will be further analyzed within this research.

²⁵Jianing, Yao. "China's Military Strategy." Ministry of National Defense. Accessed September 28, 2019. http://eng.mod.gov.cn/publications/2016-07/13/content_4768294.htm

China's Defense Policy 2019 – In the New Era

China's defense policy of 2019 recognizes it has entered a new era and acknowledges the fact that the international military competition is undergoing historic changes. While it points out various uncertainties in the international security environment and the realignment of international powers, it also accepts the strategic competition is on the rise. With the acceptance of this competition China prepares itself to be one of the main competitors.

The 2019 defense policy highlights how the U.S has adjusted its defense strategies and has also, 'provoked' intensification of competitor. Moreover, China has managed to increase its defense budget which now also adds on the capacity to incorporate outer space and cyber defense. 2019 Defense policy sheds light on the changing nature of war to intelligence warfare. Furthermore, it recognizes NATO's expansion of its military development in Central and Eastern Europe while, Russia's strengthening of its nuclear and non-nuclear base with the aim of strategic containment. The policy focuses on how the military field is now being dominated by a technological revolution whereby, the use of cutting-edge technologies, cloud computing, quantum information, big data and artificial intelligence is becoming more mainstream.²⁶

While China's distinctive feature of its national defense policy calls attention to its goal of never seeking hegemony or expanding its sphere of influence its economic development and investment reflects a different trend. China's overseas direct investment has been on the rise thus,

²⁶ Jiayao, Li. "China's National Defense in the New Era." *Ministry of National Defense*. Accessed September 28, 2019. http://eng.mod.gov.cn/publications/2019-07/24/content_4846452.htm

showing its progressive trend towards economic expansion. Figure 3 helps to explain China's economic expansionist agenda: ²⁷

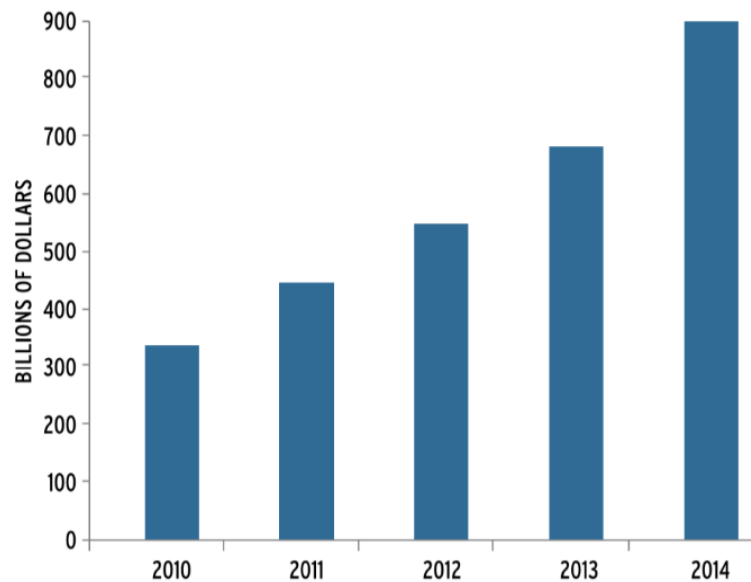


Figure 3: Stock of China's Outbound Direct Investment (ODI) 2010-2014

The 2019 defense policy also outlines strategic tasks which are very different from its previous 2014 defense policy. The fundamental goal is to safeguard China's sovereignty, security and its development interests. Nevertheless, the most highlighted tasks that can lead to countering the U.S indirectly are 'opposing and containing Taiwan independence, crack down on proponents

²⁷ Dollar, David. "China as a Global Investor." *Chinas New Sources of Economic Growth: Vol. 1*, 2016. <https://doi.org/10.22459/cnseg.07.2016.09>

of separatist movements such as Tibet independence and the creation of East Turkestan’ and lastly, to ‘safeguard China’s security interests in outer space, electromagnetic space and cyberspace’.

Analysis of China’s Defense Policy

Defense Posture

The defense policies of China have observed a shift since 2010. From a focus on strategic economic opportunities and maintaining a favorable security environment, it drifted towards a stage of reform and development, recognizing unprecedented challenges within the global security environment. Quite opposite from the past trends, more recently its policy has observed a greater change whereby, it now recognizes it has stepped into a ‘New Era’. Both the defense policy of 2010 and 2014, sheds light on China’s unwillingness to expand its influence. In contrary to that, in 2019 the defense policy has accepted that the military field is going through ‘historic changes.’ In the light of these changes it is likely that China brings about more shifts in their defense policy whereby, its economic expansion and military goals will change.

This analysis incorporates China’s future defense posture, including its economic expansion which provides it with an edge on other countries, and expands onto how the posture will affect and hamper U.S military advantage within the global order. According to its defense policy the two main strategic tasks that China intends to focus on the most and regards it as a major threat is Taiwan independence and, counter separatist movements.

The Belt Road Initiative –An Undercover Economic-Military Project

This section will cover China's Belt Road Initiative and the economic investments done under the umbrella of BRI, to draw a direct connection between BRI investment and military partnership. It investigates countries that are the beneficiaries of both economic and military expansion. China is making efforts to further expand its presence within different regions. It has various economic projects in the Middle-East, Asia and Africa. In Middle East it has Iran, Saudi Arabia, U.A.E, Egypt and Israel to strengthen ties with. In Africa it has Djibouti, a key concern for the United States.

In Asia, it mainly has Pakistan, India, Bangladesh and Myanmar to explore with its expansionist tendencies. These tendencies include economic and military investments therefore, China's Belt Road Initiative is directly linked to its military expansion too. Figure 4 reflects China's global development strategy intertwined with arms sales in Asia. Since 2007 onwards, Pakistan, Bangladesh and Myanmar have received China's top arms; all three countries are beneficiaries of the Belt and Road Initiative too. According to SIPRI calculations in 2018, Bangladesh received 75 million units of arms whereas, Myanmar received 105 million units and Pakistan 448 units.²⁸

²⁸ Gracemzshao. "China, the World's Second Largest Defense Spender, Becomes a Major Arms Exporter." CNBC. CNBC, September 27, 2019.

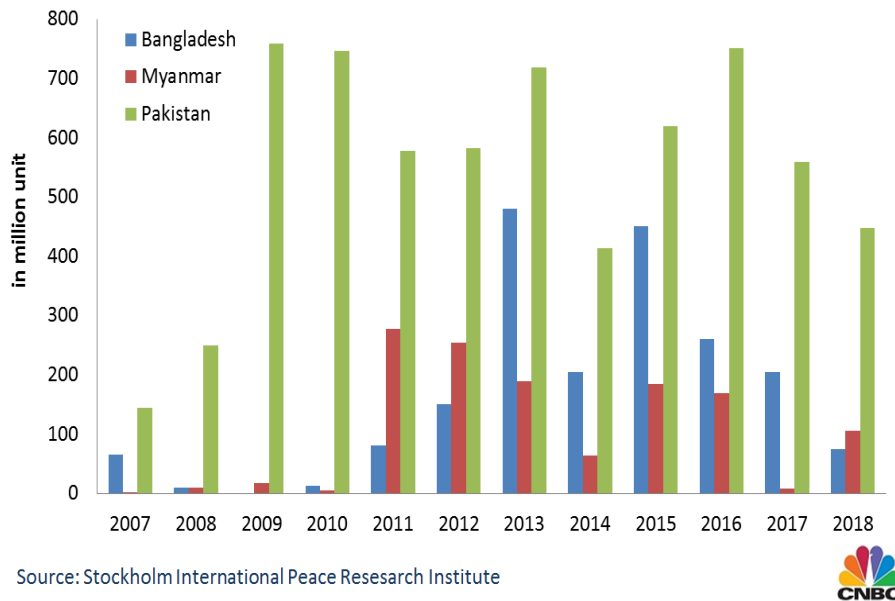
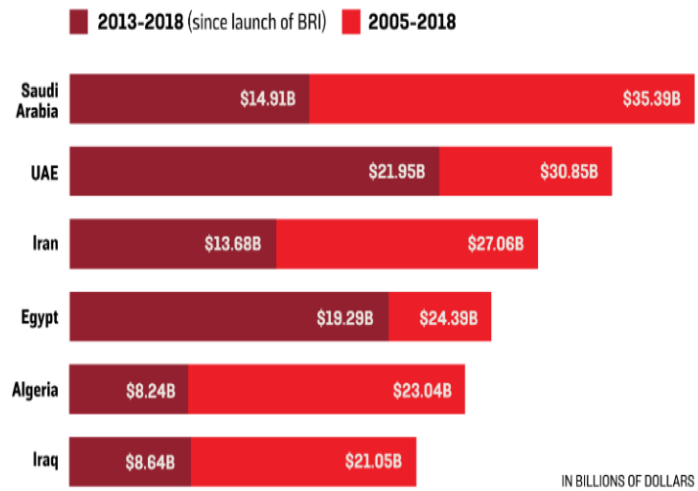


Figure 4: Arms Exported from China 2007-2018

China is also seen to have a well-established presence in MENA countries, especially in terms of investment. Figure 5 shows investment of \$20 billion in various projects and firms by the Chinese government since 2005. The Belt Road initiative within the graph also represents the investment taken place.²⁹ China's Belt Road Initiative launched in 2013, which is also termed as the One Belt, One Road; it has an aim to strengthen China's economic presence and activity throughout the world. It not only covers vast amount of geographical area, but also includes

²⁹ Molavi, Afshin. "China's Global Investments Are Declining Everywhere Except for One Region." *Foreign Policy*, August 6, 2019.

infrastructural plans for various regions. It extended to 65 countries with combined GDP of \$23 trillion, partnering with 4.4 billion people.



SOURCE: AEI CHINA GLOBAL INVESTMENT TRACKER, 2005-2018; COMPILED AND CONCEIVED BY AFSHIN MOLAVI.

Figure 5: Chinese Investment in MENA Countries; MENA countries with more than \$ 20 billion worth of investment and construction projects by Chinese firms since 2005



Figure 6: Belt Road Initiative Global Investment

According to the Asian Development Bank, it is noted that developing countries require \$26 trillion in infrastructure investment for the sustainability of BRI. Despite facing various challenges, the BRI can profit heavily in terms of economic and political gains. It will lead to the expansion of Chinese export markets, further promote the Renminbi as an international currency, and give a leverage to China is reducing trade barriers. Based on the increased trade, investment

and economic ties between China and other regions, it is justified to say that the entire economic cycle will be dominated by China, allowing it to further shape the international order.³⁰

With the Belt Road Initiative and economic investments, it is evident that China is also becoming a top arms dealer. It has managed to be in competition at par with U.S, Russia, Germany and France. A very important link of military expansion and the BRI is that top customers of arms include the BRI partners. According to SIPRI China has managed to export 16.2 billion units of ammunition in the past twelve years. Mostly the receivers are countries in Asia, Middle East and Africa, the same regions where the BRI is active.³¹

China's Regional Military Expansion

1. Asia

Years of economic growth with the added advantage of military modernization has enabled China to become a key player in the global arms trade. Between 2008 and 2017, China has been observed to export \$14.4 billion worth of conventional weapons throughout the world. This made China the 5th largest arms supplier in the world after the United States, Russia, France and Germany. SIPRI's data shows China's conventional arms sales increased from \$650 million in

30 China Power Team. "How will the Belt and Road Initiative advance China's interests?" *China Power*. May 8, 2017. Updated May 29, 2019. Accessed September 28, 2019. <https://chinapower.csis.org/china-belt-and-road-initiative/>

31 Gracemzshao. "China, the World's Second Largest Defense Spender, Becomes a Major Arms Exporter." *CNBC*. CNBC, September 27, 2019.

2008 to \$1.13 billion in 2017.³² It is also important to note, 74% of these went to Asia. Despite these figures, the overall defense trade of China is pale in comparison to the United States. The United States exports averaged \$9 billion annually over the last ten years.

China mostly exports arms to neighboring countries. During mid-1990s and mid-2000s 82.8% exports was across Asia. Pakistan, Bangladesh and Myanmar received 62.4% of China's conventional weapons since 2008. Other Asian countries comprise of 11.8% of Chinese arms. China's arms sales have seen shifts as they rose from \$386 million in 2008 to \$1.5 billion in 2016, followed by a decrease to \$948 million in 2017. Economic ties to Pakistan have made way for military ties too for China. These exchanges are often based on political objectives. Growing cooperation amongst the two countries on counter-terrorism led to a surge in sales from \$250 million in 2008 to over \$750 million in 2009. The sale of a sophisticated optical tracking system that could be used for nuclear missiles was also given out in 2018. This sale was carried out right after India tested its Agni-V long-range ballistic missile. Other purchases also included JF-17 thunder aircraft which has been greatly appreciated by the Pakistan public and showcased on Pakistan's military parade. The following figure reflects Chinese arms sales across Asia through 2008-2017.³³ Table 1 exhibits a breakdown of the sales made to various countries in Asia.

³² "SIPRI Arms Transfers Database." SIPRI, n.d. Accessed October 15, 2019.

³³ "How Dominant Is China in the Global Arms Trade?" China Power Project. Center for Strategic International Studies, October 11, 2019.

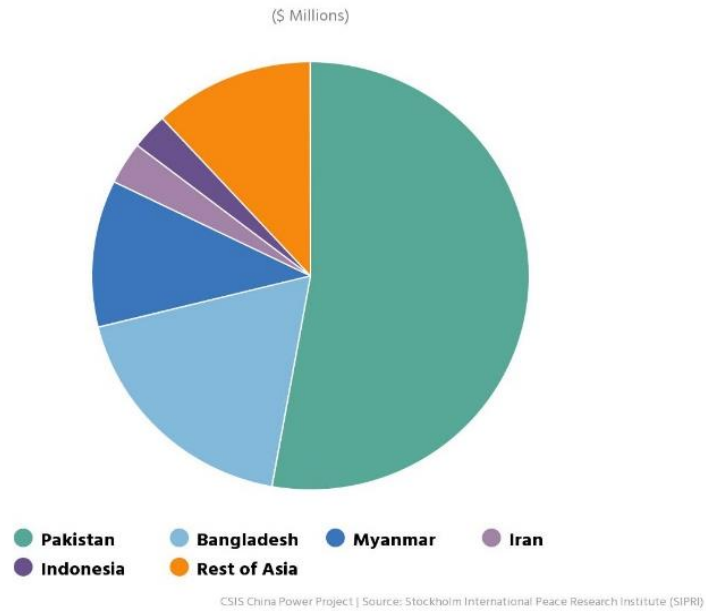


Figure 7: Chinese Arms Exports to Asia 2008-2017

Pakistan	\$ 6,074 million
Bangladesh	\$ 2,106 million
Myanmar	\$ 1,275 million
Iran	\$ 367 million
Indonesia	\$ 313 million
Rest of Asia	\$ 1,360 million

Table 1: Breakdown of Chinese Arms Exports to Asia Countries (\$ million)

The case of Pakistan-China military sales symbolizes how a shift in U.S policy has resulted in a decline in their arms trade, and therefore given way to China to take away United States market share. These developments were first seen during U.S sanctions on Pakistan in 1965 which led to a rise in Chinese-Pakistan military sales. By early 1980s, 75% of tanks and 65% of Pakistan

Airforce aircrafts were given by the Chinese. China also had a key role in Pakistan's nuclear program in terms of the technology transfer. Another phase of U.S policy allowing Chinese defense industry to overtake a segment of the U.S defense industry market share, was from 2009-2018 due to Trump administrations force posture. This resulted in withdrawing of U.S aid in 2018. Therefore, again allowing the rise of Chinese arms exports in Pakistan as a result of change in U.S foreign policy.

The following table 2 and table 3 represents the share of Chinese exports to Pakistan in the total arms sales through 2009-2018. Despite Pakistan being the largest arms market for China, the steady decline reflects China's aim to diversify its arms market. China's aim to diversify in the global defense industry is based on its expansionist path to compete with the 'United States for the global superpower spot' ³⁴

³⁴ Sahu, Ambuj. "Analysing the Trends in China-Pakistan Arms Transfer." *Observer Research Foundation*, n.d. Accessed September 20, 2019.

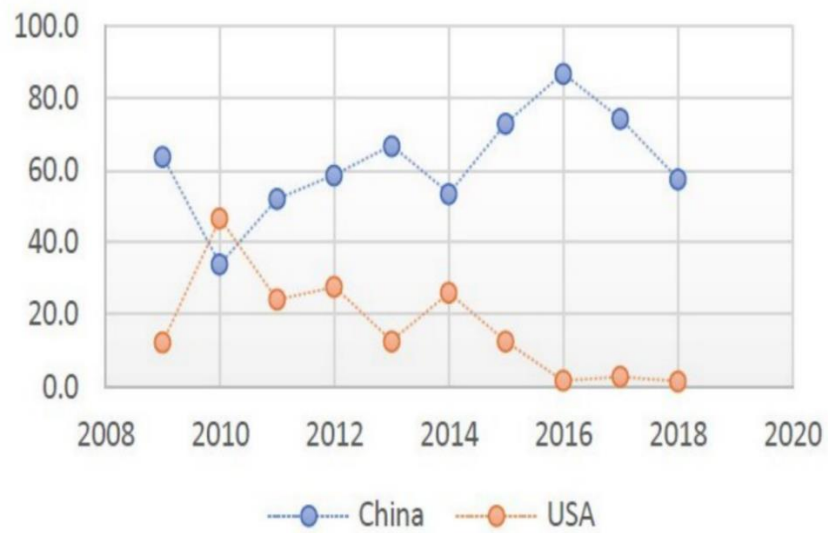


Table 2: Share of China and USA in arms exports to Pakistan (%) 2009-2018

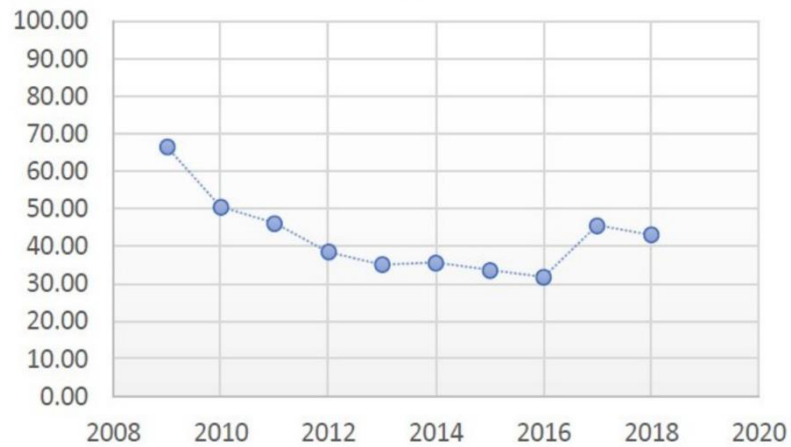


Table 3: Share of Pakistan in Total Arms Exports from China (%) 2009-2018

2. Middle East

Middle East is yet another region observed to attract Chinese investments at quite a fast pace. It is firstly important to understand why the Middle East is such a hot cake for the global powers. The main source is the region's energy resources which fuel and shape economic and defense policies of various countries. This is reflective in the estimates too, 79.4% of the world's oil reserve is concentrated in OPEC member countries, out of which Middle East amounts for 64.5% of the total.³⁵ The following figure represents a break-down of the energy reserves:

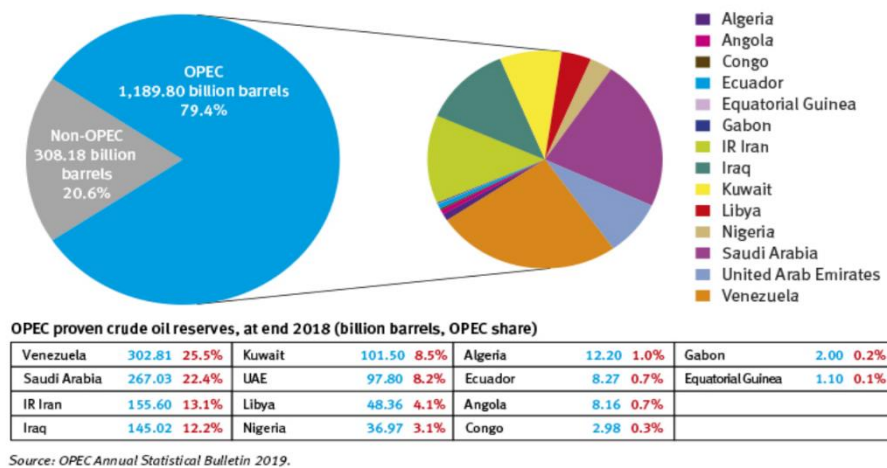


Figure 8: OPEC share of world crude oil reserves, 2018

³⁵ Berman, Ilan. "China in the Middle East: Reshaping Regional Politics." *Middle East Forum*. Accessed September 28, 2019. <https://www.meforum.org/59279/ilan-berman-china-in-the-middle-east>

According to the International Energy Agency it is predicted that by 2030, China's import of oil will rise to at least 10 million barrels a day, the current import level of the United States.³⁶ Therefore, the Middle East is a perfect place for China to both take its energy supply from and further penetrate deeper in the arms sales. Currently, China's aim is to purchase stakes in the region through economic means. It is seen to launch development projects and improve its ties with Iran and Saudi Arabia.

In addition to the energy resources, China is experiencing gains from the Middle East exports. It has managed to organize itself as a key export destination therefore, diversifying its economic options as well as paving way to shadow countries with its presence. Figure 9 shows China's entry in Middle Eastern economic markets as top five export destination. An important pattern seen here is that Israel, an American ally has also carried out exports to China worth \$ 4.6 billion in 2018. Despite the U.S being the top destination, China is also a fast-growing trade partner for Israel.³⁷

³⁶ Luft, Gal, and Iags. "The Sino-Saudi Connection." *Institute for the Analysis of Global Security*. Accessed September 28, 2019. <http://www.iags.org/sinosaudi.htm>

³⁷ Molavi, Afshin. "China's Global Investments Are Declining Everywhere Except for One Region." *Foreign Policy*, August 6, 2019. <https://foreignpolicy.com/2019/05/16/chinas-global-investments-are-declining-everywhere-except-for-one-region/>

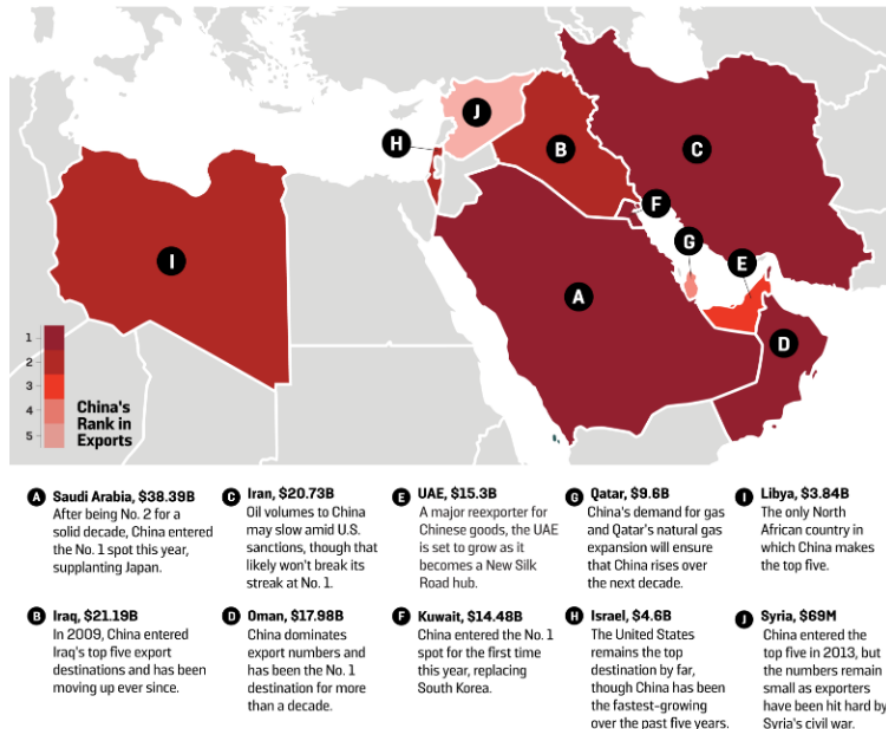


Figure 9: Exports to China from MENA Countries; China has emerged as a vital export destination for several countries in the Middle East and North Africa. For these countries above, China made the top five in 2018³⁸

China is observed to be developing its ties with individual countries rather than the entire region. As Chinese economy expands, the country's demand for energy also increases. Therefore, China sees the Middle East as an important region to explore. It has five principal partners in the region; Iran, Saudi Arabia, United Arab Emirates, Egypt and Israel. This paper closely examines China's Middle East model, in terms it's grand strategy for the region for Iran and Saudi Arabia.

³⁸ Molavi, Afshin. "China's Global Investments Are Declining Everywhere Except for One Region." *Foreign Policy*, August 6, 2019. <https://foreignpolicy.com/2019/05/16/chinas-global-investments-are-declining-everywhere-except-for-one-region/>

This grand strategy includes narrowed down focused objectives with each of the individual countries in the region.³⁹

a) Saudi Arabia

Saudi Arabia is China's largest trading partner in West Asia. Furthermore, various Chinese construction firms are assisting Saudi Arabia in building infrastructure. On the other hand, Saudi Arabia is also interested in building tailor made refineries and petrochemical production facilities within China. It seems that Saudi Arabia is using China as a tap on western oil consumption as well as western influence in Saudi Arabia.^{40 41}

While there is economic cooperation amongst the two countries, there is also military trade and partnership. While \$65 billion have been agreed to invest in joint ventures, the sale of intermediate range (3000 km) ballistic missiles to Saudi Arabia by China are also seen to be a part of 'China card'.⁴² China's military relations with Saudi Arabia have been developing more significantly. One of these interests is reflected in Saudi Arabia's Air Force utilizing Chinese UAVs. Together, their militaries are also holding counter-terrorism exercises in Western China; it is important to note these are exercises the former would conduct with the U.S military previously.

³⁹ "Alterman, Jon B. "China's Middle East Model." *China's Middle East Model | Center for Strategic and International Studies*, September 25, 2019. <https://www.csis.org/analysis/chinas-middle-east-model>.

⁴⁰ "China's Middle East Model." *Center for Strategic and International Studies*, October 4, 2019.

⁴¹ "Saudis Study \$65 Billion in China Investments During King's Trip." *Bloomberg*, n.d. Accessed October 15, 2019.

⁴² Blumenthal, Dan. "Providing Arms: China and the Middle East." *Middle East Forum*, n.d. Accessed October 15, 2019.

Recently, the Saudi port of Jeddah was paid a visit by the Chinese navy vessels, a step towards impacting conditions in the Gulf of Aden, a vital water route especially for Persian Gulf oil.⁴³

China's arms exports have been on the increase since 2018. That is a trend seen since the past 15 years, allowing China to become one of the largest arms suppliers. Out of more than \$25 billion worth of arms sales, \$10 billion of it comprises of military equipment to the Middle East with Saudi Arabia accounting for it too along with other countries such as U.A.E and Iraq. Moreover, China's market for armed UAVs (unmanned aerial vehicle) has been on the growth, Saudi Arabia is a receiver of CAIHONG, a series of its UAVs.⁴⁴

Furthermore, satellite images first presented by Jane's Defense Weekly in mid-2013, analyzed by Middlebury Institute of International Studies at Monterey, suggest that Saudi Arabia had made its ballistic missile factory which brings the Kingdoms nuclear ambitions in the limelight. Despite being a U.S ally the factory at a missile base in al-Watah is under suspicion based on China providing the ballistic missiles. According to the institute's analyst, the Saudi engine test stand was like a Chinese one. The result after the analysis of the satellite imagery were that, *'China partially covers the flame shooting out of the engine and cools the test building with water, so it does not catch fire. The Saudi test complex appears to replicate that setup...'*

⁴³ Oualaalou, David. "Saudi Arabia Pivots toward China: The Rise of a New Global Order." *Huff Post*, March 31, 2017.

⁴⁴ *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2019*, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2019* § (2019).

Moreover, another factor that raises the question of United States military advantage being challenged not only by China, but also its own allies. Despite Saudi Arabia's request being turned down by the U.S for purchasing category-one American drones, which included the Predator and Reapers due to Missile Technology Control Regime regulations; the former approached China to purchase drones followed by a deal of a drone factory build in Saudi Arabia by the Chinese.⁴⁵ This factory would produce a replica of the Predator. These efforts are reflective of Saudi Arabia's inclination towards a military buildup that too, more diversified and in partnership with other countries other than its closest ally, the United States. It is a way forward towards military partnership with other regional powers, therefore Saudi Arabia is an example of how the U.S allies opt for alternatives for military might and explore the options that are direct competitors of the United States military industrial complex.

b) Iran

China has arrived in the Middle East and is observed to be making efforts in establishing its economic presence within the region. It has the power to shape regional markets which comes with the cost of regional security arrangement. The main concern within the region is Iran, a trading partner of China within the global defense industry.⁴⁶ A benefit for China and a negative for the region itself that China now possesses the power to rearrange security environment within the Middle East.

⁴⁵ Sonne, Paul. "Can Saudi Arabia Produce Ballistic Missiles? Satellite Imagery Raises Suspensions." *The Washington Post*. WP Company, January 24, 2019.

⁴⁶ Berman, Ilan. "China in the Middle East: Reshaping Regional Politics." *Middle East Forum*, n.d. Accessed October 15, 2019.

The Chinese-Iran comprehensive strategic partnership 2016 represents a shift in the international order and balance of power. The fundamental pillar of the deal was the investment of \$280bn in developing Iran's oil, gas and petrochemical sector. Moreover, it classified another \$120 billion investment in Iran's infrastructure. This heavily invested economic interests in Iran require security and protection in the light of current U.S sanctions on Iran. China is a regional power and would not risk to invest in a country without any incentives therefore, the Chinese have included 5,000 Chinese security personnel within Iran to safeguard Chinese investments. The deployment of these security personnel has been pictured in protecting economic interests, but in fact are a symbolization of the economic-military expansion China is carrying out specific and unique in every region.

Additional personnel are expected to be deployed with added material available for the smooth transition of oil, gas and petrochemicals from Iran to China. China believes the development of Iran's infrastructure is in line with its Belt Road Initiative. This will allow China to exploit cheap Iranian labor as well. The infrastructural development also includes a 2300 km New Silk Road which provides China with access to Iran from Urumqi, which further extends to Kazakhstan, Kyrgyzstan, Uzbekistan and Turkmenistan and finally via Turkey into Europe.⁴⁷

This economic and infrastructural investment is seen to come along with military presence, characterized as 'security personnel' to protect the economic interests of Chinese investments. Furthermore, China is seen to expand its inter-regional economic and military influence whereby

⁴⁷ Watkins, Simon. "China and Iran Flesh out Strategic Partnership." *Petroleum Economist*, n.d. Accessed October 15, 2019.

not only it allows itself for troops to be deployed but, also Chinese companies and projects. China admits these projects are a part of the Belt Road Initiative. The BRI is observed to be more than just an economic initiative. Rather it reflects to act as an infrastructural tool to economic colonization with an added slow-paced military presence.

Iran's military relationship with China can be dated back to the mid 1980's when China sold Iran anti-ship cruise missiles in different phases. These missiles included the Silkworm (HY-2), the C-801 and C-802. It seems China's intentions have further expanded now. China is also observed to sell surface-to-surface cruise missiles as well as assisting the country in long-range ballistic missiles.⁴⁸ In 2003 the CIA issued a report on China's record of proliferation activities which highlighted that China along with Russia and North Korea were helping Iran's in their ballistic missile program.⁴⁹ Beijing has also played a part of Iran's nuclear and chemical weapons programs despite assuring Washington that it was not in the process of doing so. An example of this was its supply of uranium conversion facility and nuclear power reactors to Iran.⁵⁰

3. Africa – Djibouti

⁴⁸ Blumenthal, Dan. "Providing Arms: China and the Middle East." *Middle East Forum*, n.d. Accessed October 15, 2019.

⁴⁹ DeSutter, Paula A. "China's Record of Proliferation Activities." *U.S. Department of State Archive*, n.d. Accessed October 15, 2019.

⁵⁰ Blumenthal, Dan. "Providing Arms: China and the Middle East." *Middle East Forum*, n.d. Accessed October 15, 2019.

August 1, 2017 marks the day when China's People Liberation Army established its military presence in Djibouti, Africa. It managed to build its first military base located near the Chinese Port of Doraleh. It is not quite far from the U.S Naval base, Camp Lemonnier. Despite, China expressing its lack of interest in expansionist tendencies it has paved its departure smoothly from not stationing troops in foreign countries to having a well-based military base in Djibouti.

China's Ministry of National Defense officially confirmed its agreement with Djibouti. It regards the base as a 'logistical support facilities' that would be crucial in guarding its country's overseas national interests. This 'support base' is a preliminary example of China's economic interests translating into infrastructural and logistical capacities resulting in its own power-projection capabilities throughout the world.⁵¹ The National Bureau of Asian Research's report on Securing the Belt and Road Initiative rightfully outlines how Chinese naval base in Djibouti is a way forward for the country to build more bases in other regions with the changing global security environment.

Chinese base in Djibouti is more than just a military presence in Africa, it is a shift of policy in terms of China's military stance and strategic identity. China's foreign policy in the past was characterized by the absence of Chinese military presence, however the case is not the same anymore. Chinese Foreign Ministry has clarified the building of bases in the near future with the aim of protecting overseas Chinese interests. It is important to note that China's military might

⁵¹ *Foreign Minister Wang Yi Meets the Press,* "Ministry of Foreign Affairs of the People's Republic of China (PRC), March 9, 2016, http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1346238.shtml

makes its way along its economic and infrastructural investments thus, creating a strong hold and base within different regions to penetrate with its military power.

How important is the naval base in Djibouti for China? The Ministry of National Defense has outlined three purposes the base serves. Firstly, it will be used for deployment of troops. Secondly, it will in return provide logistical assistance to patrols, and lastly aid ‘humanitarian assistance and disaster relief (HADR) operations.’ The future of the base is an important aspect to be observed. Various dimensions need to be investigated to conclude whether Chinese could use the base against its enemies. The type of operations conducted in order to protect Chinese interests is a key concern for the security of the region.⁵²

Djibouti is a small piece of land but holds key strategic location. It provides a shipping route between Asia and the Suez Canal. The economic use of the base which in turn amplifies military presence by various countries is based on an estimated 4.8 million barrels of oil is exported from the Bab el-Mandab a strait adjacent to the base. Djibouti is also geographically close to Yemen which is again a very important location for the United States as it exercises its power against Houthi militants from Yemen.⁵³

Over all, the successful attempt of military presence in Africa is a symbolization of broadened Chinese national interests and challenges. As analyzed in the section above on China’s 2014 military strategy, the base in Djibouti is a real-life example and reflection of China’s

⁵² *Securing the Belt and Road Initiative China’s Evolving Military Engagement along the Silk Roads.*” *The National Bureau of Asian Research*, September 2019.

⁵³ *Martin, Patrick.* “Could China Squeeze the U.S. out of Its Only Permanent Military Base in Africa?” *The Washington Post*. WP Company, January 28, 2019.

defensive posture transitioning into an aggressive one. Its 2014 military strategy specifically outlined, ‘adapting to new security challenges’ thus, edging it way into establishing strong military footholds in other regions.

B. Russia

Russia is the world's second largest exporter of arms, right after the U.S. It has managed to maintain and strengthen its position within the defense industry. It holds immense importance within the global defense industry as it occupies the second position within the market, enabling it to be a competitor of the United States defense industrial complex.⁵⁴ SIPRI's top list for trend-indicator value of global arms exports for the year 2018 shows the second rank of Russia as a global arms exports in table 4.⁵⁵

Rank 2018-2018	Rank 2017-2017	Supplier	2018	2018-2018
1	1	United States	10508	10508
2	2	Russia	6409	6409
3	3	France	1768	1768
4	4	Germany	1277	1277
5	9	Spain	1188	1188
6	11	South Korea	1083	1083
7	7	China	1040	1040
8	6	United Kingdom	741	741
9	5	Israel	707	707
10	10	Italy	611	611
		Others	2254	2254
		Total	27587	27587

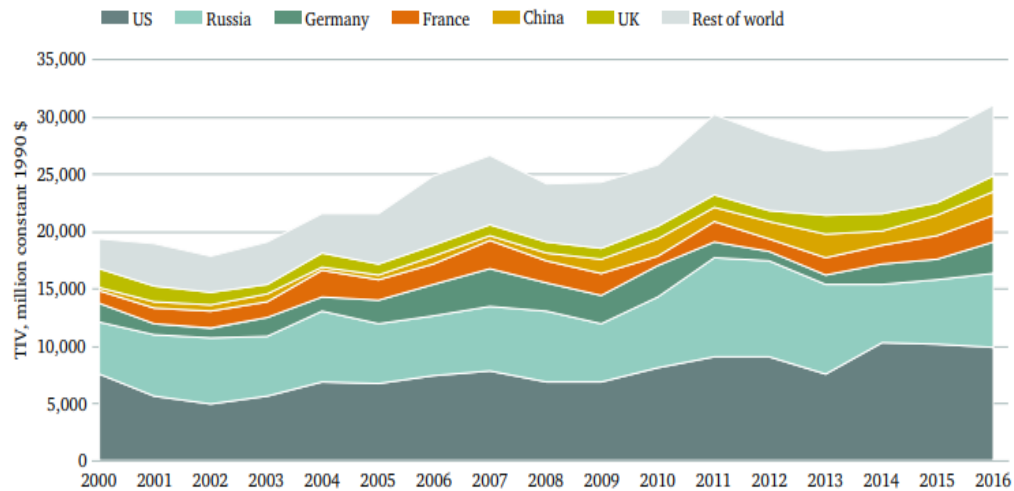
Table 4: SIPRI Arms Transfers Database; Russia's second rank as a supplier in global arms exports for 2018

⁵⁴ "Russia's Role as an Arms Exporter: The Strategic and ..." Chatham House, *The Royal Institute of International Affairs*, n.d. Accessed October 17, 2019.

⁵⁵ "SIPRI Arms Transfers Database." SIPRI, n.d. Accessed October 17, 2019.

Countries that do not share a very warm relation with the U.S in terms of arms trade approach Russia, being a U.S competitor in the market. Various countries are served by the Russian defense industry. Asia has positioned itself as a monopoly within the Russian defense market, as it accounted for 70% of their exports back in 2000. Arms trade has a crucial place in Russian economy as it contributes a large proportion of manufactured exports. Therefore, one of the main industries in Russia, is the arms industry which is also one of the main markets in the global defense industry. It serves as a key source for employment generation and profit yielding.

21% of global arms sales in 2016 were carried out by Russia, and this is not a new phenomenon. Despite short-term fluctuations, Russia has maintained a competitor of the United States and most likely will remain so in the coming future. Various phases witness shifting trends for Russia, but it is important to note there are phases such as in 2013, Russian arms exports value bypassed United States exports. Figure 11 below represents the share of total global arms exports through the period of 2000-2016; highlighting that Russia accounts for an annual average of 25% of global exports within the entire period.

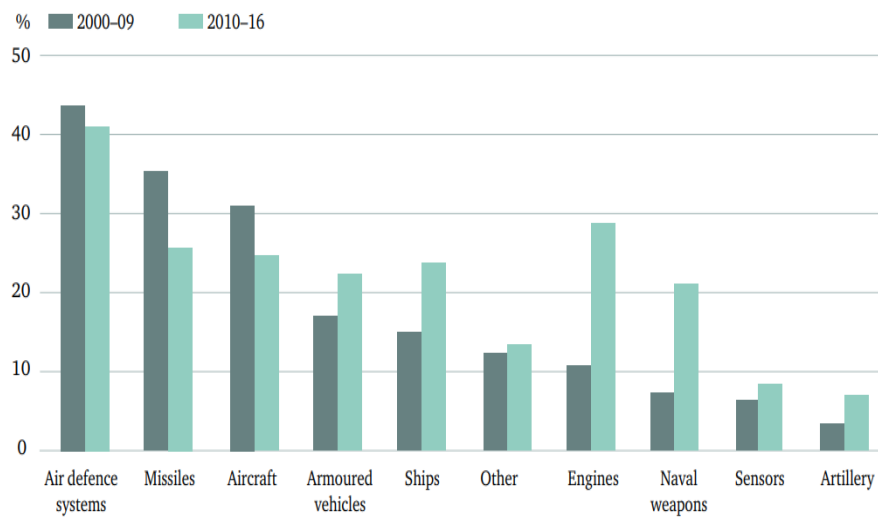


Source: SIPRI Arms Transfers Database, 2017.

Figure 10: Share of Total Global Arms Exports 2000-2016

Considering the share of Russian exports, it is important to break-down the broad categories of weapon systems which lacks uniformity. The country's global exports can be separated into five main fields; air-defense systems, missiles, aircrafts, sensors and artillery systems. Out of these five, the first three are the strength and the cornerstone of the Russia defense industry. The following graphical data reflects the strength of Russia defense industry in air-defense systems, missiles and aircraft occupying 41.1%, 25.6% and 24.7% of global sales in the period of 2010-2016. It is also evident that Russia has managed to work on other product categories thus, showing improvement in shares from 2010-2016 as compared to 2000-2009.⁵⁶

⁵⁶ "Russia's Role as an Arms Exporter: The Strategic and ..." Chatham House, The Royal Institute of International Affairs, n.d. Accessed October 17, 2019.



Source: SIPRI Arms Transfers Database, 2017.

Figure 11: Russia's share of global exports in selected categories of weapon systems, 2000–09 and 2010–16 (% of total global arms exports)

Moving on to the past decade, Russia's weapons sales has also witnessed fluctuations in terms of rising sales. In 2017 Russia's weapons sales were \$ 5741 million rising to \$ 6409 million in 2018. These fluctuations are represented in figure 13; 2011 observed an all-time high in weapons sales to \$8690 million.⁵⁷ In 2017, out of \$15 billion of weapons sales, \$6.14 billion were of major weaponry which comprised of military aircraft, ships, armored vehicles and guided munitions. If these figures are further narrowed down, the monopoly of military aircraft sales in Russian defense is evident. Out of the \$6.14 billion nearly \$4 billion were directed towards exports of military

⁵⁷ "Russia Weapons Sales." *Russia Weapons Sales | 2019 | Data | Chart | Calendar | Forecast | News*. Accessed October 18, 2019. <https://tradingeconomics.com/russia/weapons-sales>

aircraft. The recipients of these weaponry from Russia in 2017 include Bangladesh, Azerbaijan, Belarus, Kazakhstan, Angola, Vietnam, Algeria, China, Egypt and India.⁵⁸

Out of these top ten countries, this research will focus on India as a case-study falling under the Russian influence in terms of defense trade. India is an important U.S ally and a defense trading partner. The second case-study is of Turkey which will also be examined in terms of its recent unstable relation with the United States and developing military partnership with Russia. Both case studies will determine how and to what extent Russian penetration in their respective defense markets is taking place.

Currently, Russian exports for the year of 2019 have reached a total of almost \$6 billion by now. The Russian defense industry is in the phases of examining global trends and adapting to new areas of work within the market. These include challenges such as economic restriction and various financial operations for foreign trade. These economic restrictions define and limit the scope of trade for Russia with other foreign countries that are under obligation to adhere to rules applied by financial institutions. This in result hampers the Russian arms selling with other players in the global market. U.S efforts symbolize how economic policies are used in order to compete with the Russian defense industry, in terms of creating trade barriers that allow the United States to remain the number one within the global defense industrial complex. A key example of these

⁵⁸ Brown, Daniel. "The Top 10 Countries That Bought Russia's Most Powerful Weapons in 2017." *Business Insider*. Business Insider, October 6, 2018. <https://www.businessinsider.com/russia-weapons-sales-top-countries-2018-4#1-india-10>.

economic restrictions affecting Russian defense industry was Turkey's successful move to purchase the S-400.⁵⁹

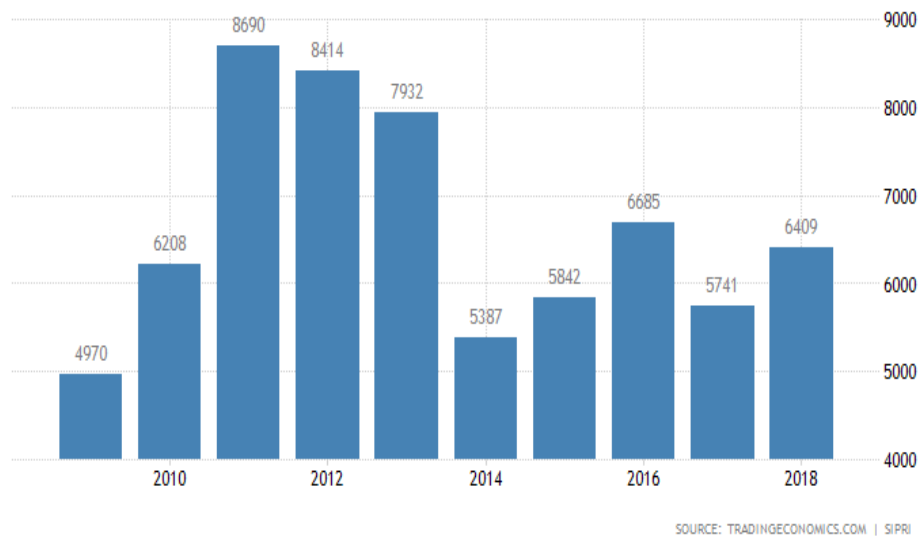


Figure 12: Russian weapons sales 2010-2018

⁵⁹ Bisaccio, Derek. "Russian Arms Sales at \$6 Billion in First Half of 2019." *Defense Security Monitor*, June 6, 2019. <https://dsm.forecastinternational.com/wordpress/2019/06/06/russian-arms-sales-at-6-billion-in-first-half-of-2019/>

1. Turkey

Turkey's defense industry has observed transformation over the last two decades. This transformation is characterized by military modernization. Based on a stable political leadership under Erdogan's support for defense expenditure and various operations. Based on open-source investigation, Turkey possessed a total defense spending of \$12.98 billion in 2018, attaining 18th rank globally within the NATO alliance.

The strategic plan of Turkey from 2012-2016 was formulated to boost the involvement of Turkish firms in various defense programs and exports.⁶⁰ The boost of these exports is reflective in the following graph extracted from SIPRI's database on financial value of the global arms trade. The graph represents Turkey's financial value of national arms exports from the period of 2009-2017. As mentioned earlier, the boost of exports from 2012-2016 can be observed, to rise from \$1,200 million to \$1,678 million.⁶¹ As compared to the strategic plan for 2012-2016, the strategic plan for 2017-2021 focused on 'technological depth and global efficiency'. Whereas, the period between 2018-2022 has been characterized by 'technology and sub-systems ownership to facilitate a sustainable industry' in order to boost Turkish military and exports.

Another factor that has enabled Turkey to play an important part in global arms race is their successful combat records during Syria campaigns, e.g. Operation Euphrates Shield allowing

⁶⁰ Kasapoglu, Can. "Turkish-Russian Defense Cooperation: Political-Military Scope, Prospects and Limits." Centre for Economics and Foreign Policy Studies, April 2019. http://edam.org.tr/wp-content/uploads/2019/05/CAN_TURKISH-RUSSIAN-DEFENSE-COOPERATION_13-Mayıs.pdf.

⁶¹ "Financial Value of the Global Arms Trade." SIPRI. Accessed October 24, 2019. <https://www.sipri.org/databases/financial-value-global-arms-trade>.

Turkey to present a broad range of arms like the multiple launch rocket systems, UAVs and helicopters. This has led to the creation of a warfare environment in Turkey, shaped into a national pride narrative.⁶²

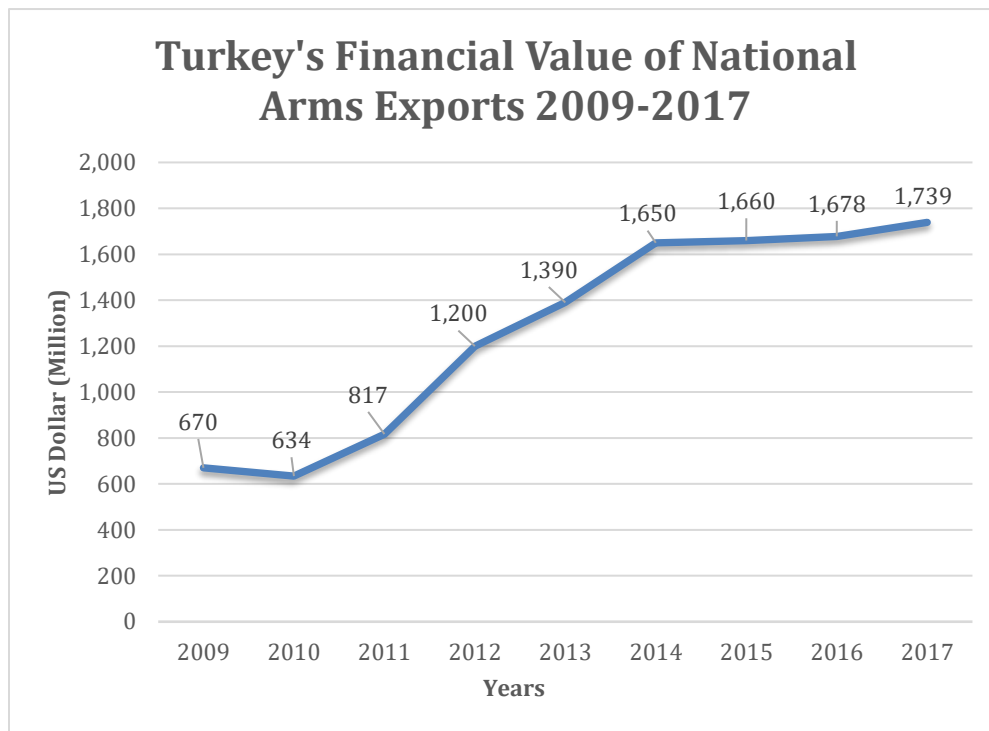


Figure 13: Turkey's Financial Value of National Arms Exports 2009-2017

The military might environment has further advance Turkey's defense initiatives. Thus, despite Turkey being a formal NATO ally, it has stepped into heavy defense trade. Ankara's move to

⁶² Kasapoglu, Can. "Turkish-Russian Defense Cooperation: Political-Military Scope, Prospects and Limits." Centre for Economics and Foreign Policy Studies, April 2019. http://edam.org.tr/wp-content/uploads/2019/05/CAN_TURKISH-RUSSIAN-DEFENSE-COOPERATION_13-Mayıs.pdf.

purchase the Russia S-400s had been taken highly objectionable by the U.S since the technology did not only threaten Lockheed Martin's F-35 fighter jets but also was a symbolic representation of a long-term alliance between Russia and Turkey. The alliance was alarming and to some extent threatening for the U.S national security especially because of Turkey's geographical location.⁶³

The Turkish defense market will have a great impact in the future due to the S-400 procurement. The SAM (surface-to-air-missile) purchase by Turkey will allow Russia to gain an important share in global arms exports. Figure 15 shows that since the S-400 deal has been finalized, JSC Almaz Antey, a major Russian arms company is expected to hold 'more than 13% supplier share in the Turkish weapons market'.⁶⁴ The arm-deal is of key significance since it is between a NATO and non-NATO member. Considering Turkey borders with Syria, Iraq and Iran it is questionable to what extent will Moscow exercise its power derived from this defense partnership? The role of NATO in this aspect is also of key concern. This research in the next section will further address the dynamics of NATO, its future and implications for U.S military presence in Europe.

⁶³ "Trump Can't Stop Putin from Poaching U.S. Allies," *Foreign Policy*, July 31, 2019, accessed August 14, 2019.

⁶⁴ Kasapoglu, Can. "Turkish-Russian Defense Cooperation: Political-Military Scope, Prospects and Limits." *Centre for Economics and Foreign Policy Studies*, April 2019. http://edam.org.tr/wp-content/uploads/2019/05/CAN_TURKISH-RUSSIAN-DEFENSE-COOPERATION_13-Mayıs.pdf.

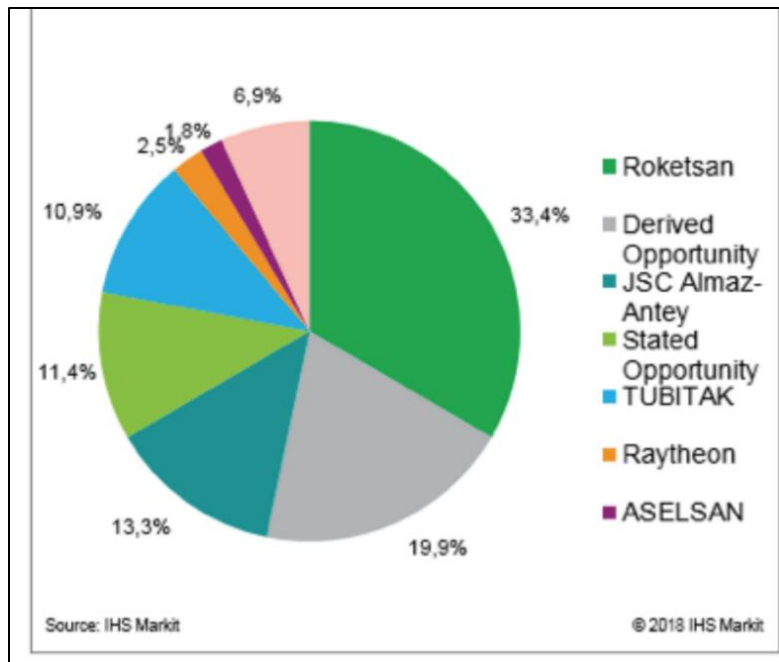


Figure 14: Turkey weapons supplier share by value

Moreover, the case of Turkey and purchase of S-400 symbolize United States force posture as a tool that does not yield the results expected. In the case of Turkey too, it was observed how U.S threat of sanctions had gone quite useless and Turkey managed to pursue its purchase. Not only has Turkey paved its way to strengthen its ties with Russia, but Kremlin has been able to utilize its military might to extend its influence. The sale of S-400 allows Russia to dominate and shape the Turkish foreign policy to a great extent, which will hamper and widen the difference between U.S and Turkey. Russia's strong hold in an important NATO country is alarming for the United States and its bilateral ties with Turkey specifically in the context of Turkey's support in Syria, Iran and Venezuela.

Moscow's strategic foothold in a key NATO country, and complicates U.S. efforts to gain Turkish cooperation in Syria, Iran, and Venezuela. It is important to question United States policy

and further explore its use of force posture, in the case of Turkey U.S could use diplomacy and negotiations considering that Turkey provided assurance to the U.S about the lack of threats S-400 would have posed to the F-35 program.

The case of Turkey also represents the political economy of national security as explained in the literature review. The economic-military nexus presents an interlinkage between international conflict and economic interests. Together the combination shapes the position of the United States national security and its positioning in the security environment. Conflicts are fueled by economic interests and trade agreements, which is reflective in the case of U.S, Turkey and Russia. The politics of economic interests decides the possibility of territorial expansion and foreign aggression.⁶⁵

Turkey as a case-study presents the erosion of the United States global military domination in respect to how U.S exercised its power in the past, whereas in today's world order other competitors exercise equal power which limits the prospect of a single superpower with the strongest military industrial base. Therefore, even though the United States is the number one military spender it still is unable to maintain its global military forte in the face of rising competitors.

⁶⁵ *Defense Budget Overview, Defense Budget Overview § (2019).*
https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2020/fy2020_Budget_Request_Overview_Book.pdf

United States and Turkey both are NATO members with very different interests and values. Initially Turkey was an important ally in terms of curbing communist expansionism. But, in the light of recent events Turkey has turned down its NATO ally's pressure and has established a partnership with Russia including the acquisition of air defense system, symbolizing a defense collaboration between a non-NATO and NATO member.

Turkey's relations with its NATO members has been under scrutiny due to various reasons. Denying U.S troops access to their territory in the Iraq War followed by the strained relations it shares with its other NATO member, Greece. The most serious contention and clash with NATO is Turkey's purchase of S-400 and the growing relationship with Russia. Is Turkey shifting its foreign policy approach from a Western-based alliance to a more Eastern-based alliance? NATO is an organization aimed at collective defense in the face of common values and shared threat perception. But, are Turkey's interests and threats common to those of other NATO members? ⁶⁶

Turkey-US relations are equally important as is US-NATO relations. The purchase of S-400 has been a serious problem between U.S and Turkey which has been further translated into a 'NATO problem'. At the same time, the eroding U.S military dominance accompanied by Trump's critical approach towards NATO creates a vacuum in the European security affairs. While Trump highlights the issue of NATO's defense spending and glorifies the 'America First' approach and

⁶⁶ Dick Zandee, "The Future of NATO: Strategic Monitor 2018-2019," *The Future of NATO | Strategic Monitor 2018-2019*, accessed November 7, 2019, <https://www.clingendael.org/pub/2018/strategic-monitor-2018-2019/the-future-of-nato/>

overall generally disregards international organizations it is questionable whether Russia is provided with an open field to fill in the vacuum?

With the current U.S stance on NATO alliance the future of NATO in terms of U.S military presence in Europe and how that impacts Russia's positioning is contentious. The shifting security environment throughout the years has observed U.S and Western Europe's alliance to remain constant. However, Trump's outlook towards NATO and its policies could alter the partnership thus, resulting into a free space for opponents to take the lead. While the debate on U.S approach towards NATO remains relevant, it is significant to analyze whether NATO would survive within an international order in which the U.S dominance is in decline, and at the same time Trump's policies restrict added resources to the alliance. Much of this depends on the U.S elections and whether Trump would be re-elected, and more than that if the U.S policies towards NATO remain stagnant.

In the case of Trump's re-election or Trump policies continuation, European security environment would be greatly impacted. NATO would face multiple security challenges, ranging from weakened support by the United States to member states increasing partnership with Russia and weakening of internal cooperation. While these challenges are inevitable European countries will be pressured to take ownership of their own security thus, the role of NATO would weaken, allowing Russia to avail the opportunity to expand its sphere of influence.⁶⁷

Finally, despite the odds of a disintegration of NATO even if Trump-approach towards NATO is reformed in future the organization would still face various challenges. In the event of

⁶⁷ Patrick McClanahan, "NATO's Uncertain Future," *Harvard Political Review*, accessed November 7, 2019, <https://harvardpolitics.com/world/natos-uncertain-future>

these confrontations and the changing international order with rising powers like China and Russia threatening the United States of America will indeed require an active role in European security. With the active support by the United States and boosting resources into NATO the tectonic shifts in the balance of power within Europe could be sustained and restored which would be a win-win strategy for the stability of U.S and Europe. ⁶⁸

2. India

India was the fourth biggest military spender in 2018. 60% of the global military spending included United States, China, Saudi Arabia and France and India. Figure 16 derived from SIPRI's military expenditure database exhibits the top 15 countries with the highest share of world military expenditure in 2018, representing India's fourth position at 3.7%. This reflects its role within the global military industrial complex in terms of holding a position next to global and regional powers. It further increased its military spending by 3.1% since 2011. With a spending worth \$66.5 billion, and an increased military expenditure from 2009-2018 to 29% is contemplative of India's role in the global defense industry. ⁶⁹

⁶⁸ Jayson Derow, "An Uncertain Future: American Involvement in European Security Through NATO," NATO Association of Canada, January 16, 2018, <http://natoassociation.ca/an-uncertain-future-american-involvement-in-european-security-through-nato>

⁶⁹ "Trends in World Military Expenditure, 2018 - Sipri.org." Stockholm International Peace Research Institute. Accessed October 27, 2019

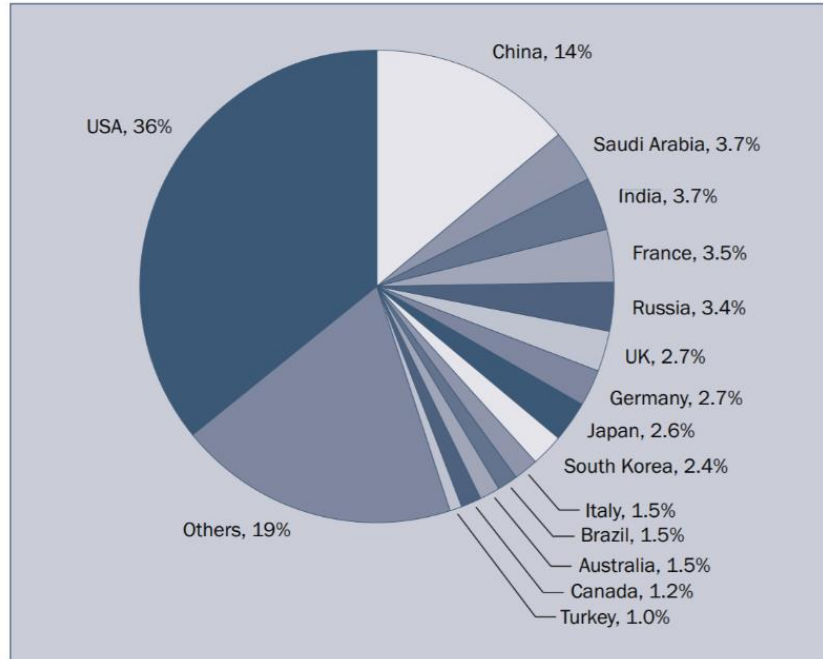


Figure 15: Share of world military expenditure of the 15 countries

Despite the existing political environment between India and Russia, it is important to examine the past trends between both countries. As compared to India-U.S. defense ties, the year 2014 witnessed stagnation between India and Russia arms trade whereas, the U.S arms exports to India were soaring high. As taken from SIPRI's arms transfer database, the figure 17 shows in trend indicator values (TIV) the drastic fall of Russian arms exports to India and rising U.S arms exports to India. However, these fluctuations are relative in terms of a broader picture as Russia

remains a top supplier of arms to India.⁷⁰ During the period 2010-2014 Russia was observed to dominate the Indian defense market by 70%.⁷¹



Figure 16: Russia's Arms Exports to India 2008-2018

Russia's defense sector has enjoyed a buyer-seller partnership with India through various joint ventures. The 20th India-Russia annual summit that took place in 2019 marked great significance for both countries, as they have agreed to prepare a 'framework for cooperation on

⁷⁰ Nivedita Kapoor, "India-Russia Ties in a Changing World Order: In Pursuit of a 'Special Strategic Partnership'," ORF, accessed November 4, 2019, https://www.orfonline.org/research/india-russia-ties-in-a-changing-world-order-in-pursuit-of-a-special-strategic-partnership-56877/#_edn38)

⁷¹ "Trends in International Arms Transfer, 2014," accessed November 4, 2019, <https://www.sipri.org/sites/default/files/files/FS/SIPRIFS1503.pdf>)

reciprocal logistics support'. This will thus allow both countries to utilize each other's naval and air bases. Furthermore, India would initiate in manufacturing of spare parts for the latter's military carried out through transfer of technology and joint ventures. Russia's extended assistance and support to Indian defense industry raises various questions for U.S-India partnership in terms of a force-posture adopted by the United States. With the changing dynamic world order, and India's independent foreign policy cannot be underestimated.⁷²

The defense collaboration between India and Russia is highly valuable to India. The 2014 stagnation between the two countries can be regarded as merely a fluctuation. This slight fluctuation was in fact followed by the annual summit in 2016 which incorporated the supply of S-400 missile system, and an added 'four Admiral Grigovich-class frigates.'⁷³ These deals were finalized last year along with the deal for the manufacture of Kamov Ka-226T helicopters.⁷⁴ The Indian army has ordered 135 of Kamov Ka-226T helicopter whereas, the Indian Airforce has placed an order for 65 of these helicopters too.⁷⁵

The S-400 are a great deal within the global security environment. The contract was signed in October 2018 between Russian President Putin and Indian Prime Minister Modi. The S-400 deal is worth \$5.43 billion which also incorporates the delivery of 5 regiments of the missile system.

⁷² Indrani Talukdar, "Challenges for India - Russia Strategic Partnership," RIAC, September 19, 2019, <https://russiancouncil.ru/en/analytics-and-comments/columns/asian-kaleidoscope/challenges-for-india-russia-strategic-partnership/>

⁷³ "Signing of Military and Defence Agreements," Press Information Bureau Government of India Ministry of Defence, accessed November 4, 2019, <https://pib.gov.in/newsite/PrintRelease.aspx?relid=169713>)

⁷⁴ Nivedita Kapoor, "India-Russia Ties in a Changing World Order: In Pursuit of a 'Special Strategic Partnership'," ORF, accessed November 4, 2019, https://www.orfonline.org/research/india-russia-ties-in-a-changing-world-order-in-pursuit-of-a-special-strategic-partnership-56877/#_edn38)

⁷⁵ "India Issues RFP For Russian Kamov Ka-226T Helicopters," Defense World, accessed November 4, 2019, https://www.defenseworld.net/news/22535/India_Issues_RFP_For_Russian_Kamov_Ka_226T_Helicopters)

The S-400 possess the capability to operate from surface to bring down enemy aircraft thus, India's purchase of S-400 will highly equip the Indian Air Force. However, the S-400 deal is crucial to U.S-India relationship. The United States can exercise its power of sanctions under the domestic law using the Countering America's Adversaries Through Sanctions Act CAATSA, which allows any country to be imposed with sanctions based on their trade with Russia, North Korea or Iran.⁷⁶

India's geographical position is another key factor that plays in its foreign policy decisions. Sharing borders with China and Pakistan poses a great threat and pressures the need to advance its military and air force therefore, the purchase of S-400 is a symbolic representation of India's defense autonomy within the global defense industry. It will further provide India's defense with an added advantage since its air force is already short of squadrons due to aging Russian aircrafts. It requires 42 squadrons in a possible war with China or Pakistan.⁷⁷ Considering all the benefits India will enjoy, the S-400 seems to be a fair deal. But, on the other hand in terms of its political-security dynamics with the United States a cost-benefit analysis is necessary. What does the future hold for U.S-India relationships considering, its deal with Russia - a global U.S competitor?

⁷⁶ Press Trust of India, "India Buying Russian S-400 Missile Will Seriously Affect Defence Ties: US," *Business Standard* (Business-Standard, May 31, 2019), https://www.business-standard.com/article/pti-stories/india-s-buying-of-s-400-from-russia-will-have-serious-implications-on-defence-ties-us-119053100174_1.html

⁷⁷ Vikas Pandey, "S-400: India Missile Defence Purchase in US-Russia Crosshairs," *BBC News* (BBC, October 5, 2018), <https://www.bbc.com/news/world-asia-india-45757556>

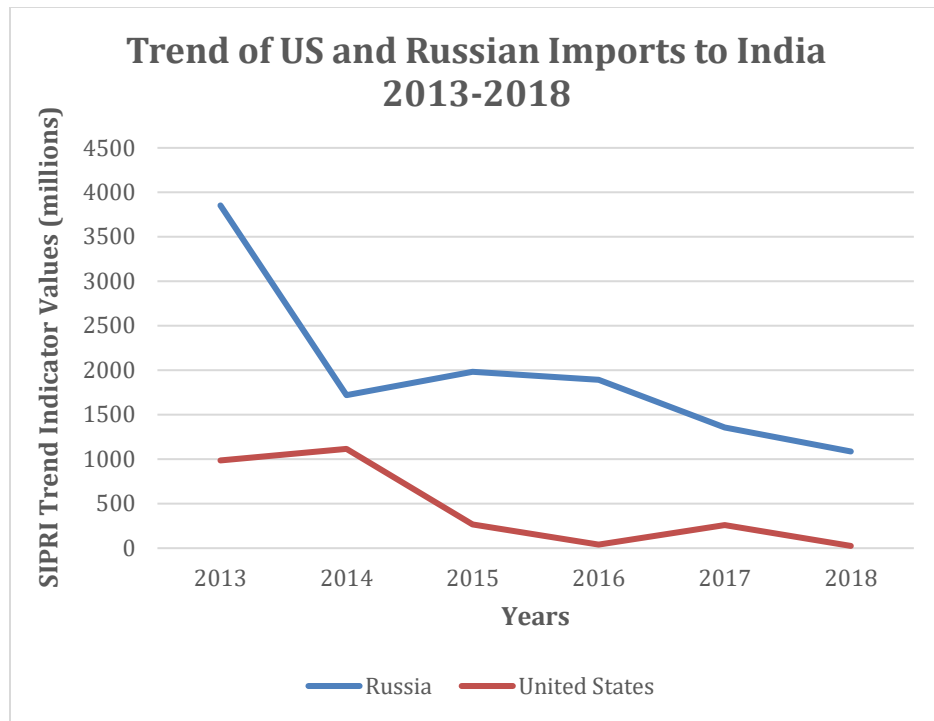


Figure 17: Trend of US and Russian Imports to India 2013-2018

India's case-study in this research emphasizes the long-based partnership it has with Russia, specifically based on its defense trade. Apart from the defense ties, both countries also share partnership in various multilateral organizations that provide cooperation such as the G20, RIC, East Asia Summit. Moreover, Russia's permanent seat at the UN Security Council provides India with an edge on multiple regional tensions including the Kashmir issue with Pakistan which is of great political importance to India.

In the changing world order the security dynamics require states to reconsider its positioning with other countries. In the case of India, it has a strategic decision to make considering its dependent relationship with China, a growing regional power with an already established economic-defense partnership with Pakistan. While at the same time, to balance the Chinese

influence in Asia, Russia would be able to gain a lot by building out closer ties than it already has with India. The balancing of powers within the region is key, however, in the entire bridging of partnerships within the region, the United States is the least considered by India. Despite India enjoying great economic-defense ties with the United States it is evident that India would highly benefit from reforming its policy to a more open approach to Russia in the Indo-Pacific context. But the policy formulation and implementation would inevitably face backlash from the United States. It is also important to note that Russia has explicitly elaborated its policy to be multi-vector rather than establishing an alliance with China.⁷⁸

However, in the context of this security-dilemma there are aspects of key importance to global stability. How can the United States curb the strengthening of Russian-Indian partnership? What is the possibility of a Sino-Russian world order? The recent Shanghai Cooperation Organization led to various debates regarding this possible world order. While multiple sources support the impossibility of such an order considering both states past ties exhibit their clashing interests, others point out the power of common threat perception and mutual economic and political gains that a Sino-Russian world order would yield.⁷⁹ Individually neither of the countries can pose a great threat to the western world as the latter is successful in strategizing the containment of Chinese and Russian power. The case of a Sino-Russian world order is the only possibility for a creation of a block that would be able to challenge and further, heavily compete with the western world. Thus, either both states can adopt a competing approach in Central Asia

⁷⁸ Nivedita Kapoor, "India-Russia Ties in a Changing World Order: In Pursuit of a 'Special Strategic Partnership'," ORF, accessed November 4, 2019, https://www.orfonline.org/research/india-russia-ties-in-a-changing-world-order-in-pursuit-of-a-special-strategic-partnership-56877/#_edn38

⁷⁹ Abdul Sattar, "Is a Sino-Russian World Order Possible?" *The News (The News International)*, June 24, 2019, <https://www.thenews.com.pk/print/489355-is-a-sino-russian-world-order-possible>

or an approach of cooperation to alter the existing international order, which means a collision with American unilateralism. Strengthening partnership between two Cold-War rivals would be a win-win situation for India within the region and globally.

The security dilemma in terms of what the future holds for India, China, Russia, United States highly depends on the growing strategic partnerships with these growing powers. India has always been a U.S defense partner however, Pakistan being a U.S ally and more recently its intensified economic-military partnership with China poses a great threat to India thus, India's move to extend deepened ties with either China or Russia is foreseeable within the region. On the other hand, current U.S-Indian alignment gap has been observed therefore, the process of non-alignment between U.S and India can be predicted. Last but not the least, India's non-alignment policy is a historical key feature of its system that till date is relevant in order to maintain Indian sovereignty and oppose imperialism. Its non-alignment policy is also reflected in its defense trade with Russia despite United States congress declaring India as a 'Major Defense Partner' in 2016.

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⁸⁰ Benjamin E. Schwartz, "From Inertia to Integration: Getting Serious About U.S.-India Defense Cooperation," *The American Interest*, June 24, 2019, <https://www.the-american-interest.com/2019/06/24/from-inertia-to-integration-getting-serious-about-u-s-india-defense-cooperation/>

Chapter 5: Analysis

I. Implication of China's military expansion

China's case-study provides data on heavy economic investment however, the case of Djibouti and Iran within China's case-study covers China's military interests. Furthermore, the expanded economic investment in various countries allows China to grow its role as a major arms dealer. The culture of economic investment and dependency created by China is translating into strategic-defense partnership with the recipient countries.

According to SIPRI, China has a massive defense budget which is estimated to be \$250 billion in 2018. China's Ministry of National Defense concluded in 2018 that its budget rose to 8.1% year over year. However, it is key to note, SIPRI and Pentagon's findings are similar that China's estimates lack several expenditures and procurement projects therefore, the existing growth is inaccurate.⁸¹ There is a possibility, the limited nature of China's defense projects and release of information is contributing to a greater competition for the United States. Absence of transparency and release of defense projects information is a possibility of further economic-military expansionist agenda.

While China is competing with top arms dealer such as United States and Russia it is important to observe the recipients of China's sales. Many of these customers are also China's Belt Road Initiative partners therefore, allowing China to have an easy access in posing itself as an

⁸¹ Gracemzshao, "China, the World's Second Largest Defense Spender, Becomes a Major Arms Exporter," CNBC (CNBC, September 27, 2019), <https://www.cnbc.com/2019/09/27/china-a-top-defense-spender-becomes-major-arms-exporter.html>)

alternative to Russia and the United States of America as a defense trading partner. The BRI partners are not only a potential market for Chinese arms exports, but they are also an open field for China to exercise its military power. An example of this is Pakistan, Myanmar and Bangladesh that have received China's top arms exports since 2007. All three countries are China's BRI participant countries and thus, the role of China's global development strategy and its sales within the global defense market are interconnected.

Furthermore, it is significant to identify what the BRI partners offer to China in terms of maximizing their arms sales in these countries. Firstly, selling arms to BRI partners is cost efficient for China. Secondly, it allows China to improve security environment in these countries by dubbing it as 'securing Chinese investments through the utilization of PLA. Iran is an example of how China is deploying its forces in the name of protecting economic investments. Thus, with low cost and minimized spending the active involvement of PLA in these BRI countries is possible further allowing an economic dependency by recipient countries pushing for acquisition of Chinese arms.⁸²

Considering these shifts, it is questionable, to what extent is the Belt Road Initiative using its economic power to expand its global military presence? Is the future of BRI a threat to the United States in terms of military expansionism? Various debates have circled around about the Belt Road Initiative having military ambitions. In the case of Pakistan, it was observed to take a military turn in terms of investing \$ 62 billion in the China-Pakistan Economic Corridor (CPEC)

⁸² Simon Watkins, "China and Iran Flesh out Strategic Partnership," *Petroleum Economist*, accessed November 7, 2019, <https://www.petroleum-economist.com/articles/politics-economics/middle-east/2019/china-and-iran-flesh-out-strategic-partnership>

narrowing the development to a Chinese-built seaport in Gwadar symbolizing the future use of this sea route that connects to Arabia sea. The Gwadar port would yield potential militarized benefits in the light of establishing maritime presence in the Indo-Pacific region.⁸³

Gwadar port's strategic location in terms of being only 107 miles from Chabahar port in Iran has multiple implications too. While China develops the Gwadar port, India advances in laying the foundations of Chabahar, calling out for a 'New Great Game in South Asia' with regional powers aggressively moving towards the establishment of strong maritime presence within the region. Chinese economic investments in this cannot be analyzed in isolation. As compared to the case of Iran, China is highly interested in the security of its workers and resources in CPEC projects thus, pushing for PLA presence to provide safety. Despite this, Pakistan initiating a Special Security Division comprising of 15,000 personnel for the purpose of protection, the Gilgit-Baltistan dam construction case reflects that eventually the People's Liberation Army soldiers are deployed to ensure security.⁸⁴

This research analyzes the pattern of Chinese economic investments to be tied with the deployment of PLA in the name of ensuring security whereas, the military presence within Iran, Pakistan and Djibouti can have long-term strategic implications. The security environment in South Asia will be governed by Chinese influence if prolonged military presence is observed. Furthermore, Chinese expansionism is not only limited to South Asia, in addition to the growing major arms deal it is boosting its military expenditure too. China's defense budget in 2018

⁸³ Maria Abi-habib, "China's 'Belt and Road' Plan in Pakistan Takes a Military Turn," *The New York Times*

⁸⁴ Gurmeet Kanwal, "Pakistan's Gwadar Port: A New Naval Base in China's String of Pearls in the Indo-Pacific," *Center for Strategic and International Studies*, n.d., <https://www.csis.org/analysis/pakistans-gwadar-port-new-naval-base-chinas-string-pearls-indo-pacific>

estimated to nearly \$250 billion according to SIPRI; securing a second position right after the United States. Despite China's defense budget growth slowing, the country does not plan to reduce its defense budget. The Ministry of National defense pointed out the expected budget for military spending to rise by 7.5% to \$117.6 billion; this would make '2019 the fourth consecutive year of single-digit budget growth'. As compared to the United States military expenditure which has witnessed fluctuations, China's military expenditure has been on a consecutive rise since 1998.⁸⁵ (see figure 18) Based on the findings within the case-study, China's military expansionism behind the curtain of global development projects is a major threat to U.S global influence.

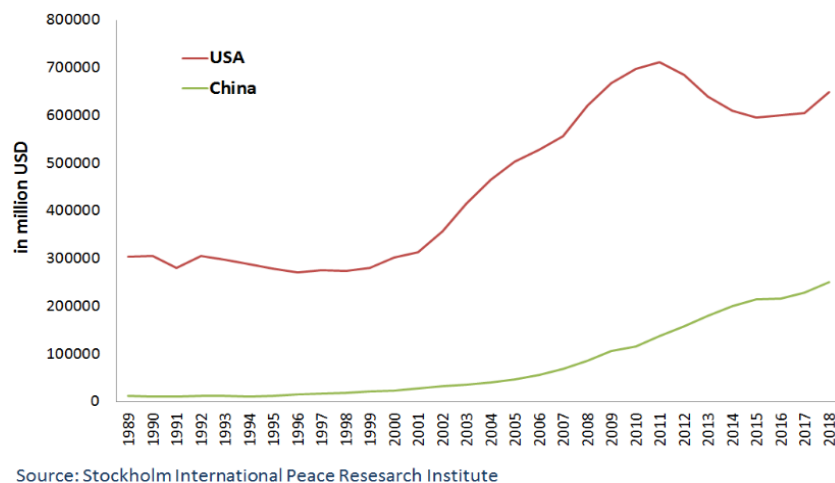


Figure 18: Military Expenditure (USA-China; 1989-2018)

⁸⁵ Dawn Roarty, "Environmental Management Services, Inc. NRC License, No. 04- 29295-01," Nuclear Regulatory Commission

II. Implication of Russia's Military Expansion

To what extent can Russia compete with the United States in the global defense market? Despite Russia holding the second position as the largest arms exporter, the gap between the United States and Russia's arms exports is quite wide. U.S exports were 36% of the global total between 2014-2018. On the other hand, as shown in figure 19 Russian arms exports decreased by 17% between the same period. ⁸⁶ Thus, Russia's second position after the United States as an arms exporter is relative since its growth rate increase or decrease reflects the extent it can compete with the U.S. Nonetheless, it is crucial to observe whether this decrease is a short-term fluctuation or a long-term pattern of decrease.

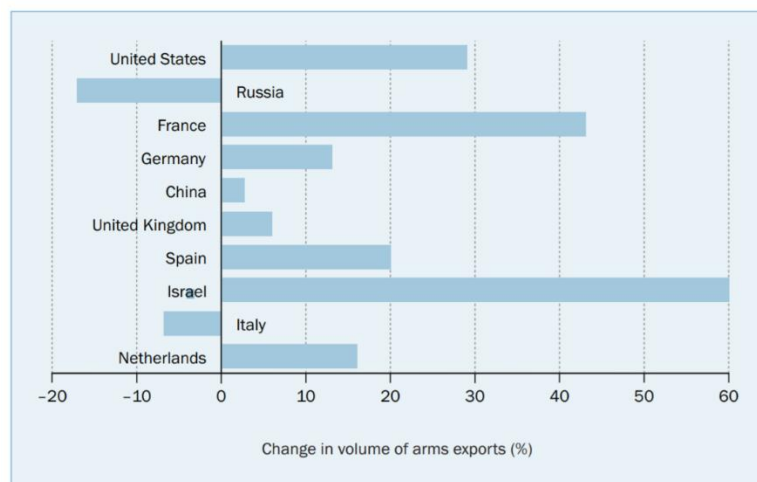


Figure 19: Changes in volume of major arms exports since 2009-2013 by the 10 largest exporters in 2014-2018

⁸⁶ "Trends in International Arms Transfers, 2018," SIPRI, March 2019, <https://www.sipri.org/publications/2019/sipri-fact-sheets/trends-international-arms-transfers-2018>

Facts exhibit that the decrease in arms exports were significantly impacted by diminishing Indian and Venezuelan arms imports, both being main customers of Russian imports. Russian imports by India dropped by 42% between the 2014-2018 period whereas, Venezuelan arms exports dropped by 96% in the same period. While this period records a fluctuation in arms exports between Russia and its main customers, other countries are observed to take place to some extent. 55% of Russian arms exports were received by India, China and Algeria. China and Algeria both are not Russia's main customers therefore, a reduction in Indian imports was compensated through selling to other countries though, the growth was still seen in negative.

Regionally, Russia also expanded its customer base by selling 60% of its arms exports to states in Asia and Oceania. The period between 2009-2013 and 2014-2018 recorded an increase of 19% in Russian arms exports to the Middle East. Within the Middle East, Iraq and Egypt were the main recipients account falling for 46 and 36 percent of arms exports by Russia.

Currently, Russian market share in Turkey's defense industry has also taken strength since 2018, therefore considering the Russian case-study it is evident that despite the role of U.S sanctions hampering Russia's arms sales to other countries, its decrease in arms exports for a specific period is just a short-term fluctuation. Russia is exploring to trade its arms with other countries other than India and Venezuela. Some of these countries were previously important U.S allies such as Turkey, a NATO member. Therefore, the future trajectory of Russian arms sales can be regarded as diversified and expanding into various other regions. With a new diversified approach, cost-effective arms with lesser conditions attached by Russia is in all spheres competing with the United States of America. It is also further posing great challenges to the global military advantage of the United States in Europe, and by adjusting its defense trade with global trends and further exploring into newer markets.

What the Russian arms offer that the U.S arms do not?

Russia is a key competitor of the United States in terms of arms trade within the global armament industry. The reasons why Russian arms seem a good option for countries is because they either do not enjoy a healthy political relation with the West, and thus deem Russia as an alternative, or lack the adequate amount of budget for attaining modernized military equipment. Based on two of these broadly categorized reasons the Russian arms offer a lot more that interplays with their positioning as second largest arms exporter.

Some key elements that allow Russia's arms to be attractive for many countries are first, in the late Soviet phase a well-established military-technological base had been developed which allowed the basis for Russian weapons exports. Some of these include Su-30MK family of fighter jets, T-90 main battle tanks, and the S-300 SAM systems line. Second, Russian arms compared to American arms are less expensive, provide easy operation and meet the needs of the technological demands of developing nations.⁸⁷ Within the U.S defense industry Lockheed Martin makes the THAAD, (Terminal High Altitude Area defense; an American anti-ballistic missile defense system) and its battery rings cost about \$3 billion. Raytheon, another major U.S company makes the Patriot system (surface-to-air missile system) and its battery costs \$1 billion. If these are compared to the Russian S-400 (long-range surface-to-air missile system) that cost roughly \$500 million, it is evident that the cost variation gives Russia a lead over American arms. Recently, after Turkey has purchased the S-400, various countries have shown interest in purchasing the Russian

⁸⁷ Kasapoglu, Can. "Turkish-Russian Defense Cooperation: Political-Military Scope, Prospects and Limits." *Centre for Economics and Foreign Policy Studies*, April 2019. http://edam.org.tr/wp-content/uploads/2019/05/CAN_TURKISH-RUSSIAN-DEFENSE-COOPERATION_13-Mayıs.pdf.

S-400, reflecting the potential competition rise for U.S.⁸⁸ Third, unlike U.S arms and the string attached with them, the Russian offer arms without conditionalities, therefore allowing easy transfer of technology without political and economic constraints. Fourth, the Russian arms are an easy export with an added benefit of provision of broad category of different arms which include some technologically and militarily ‘game-changer’ ones, such as the SS-26 Iskandar short-range ballistic missiles, and the S-400 SAM systems. Lastly, the Russian defense markets is better equipped at offering advanced after-sales service for the equipment sold along upgrades.⁸⁹

In my view, out of the five reasons that boost Russian arms exports provided above, the most important and crucial ones in the global defense competition between the two countries is the cost-conditionalities nexus. In what I term as the cost-conditionalities nexus, the cost being inexpensive Russian arms intertwined with reduced economic and political constraints allows countries to prioritized Russian arms over U.S arms.

The economic-military nexus as mentioned earlier in the literature-review section, is of great significance within the global military advantage. The economic forces have a profound impact on countries and their defense policy decisions in terms of how they select their trading partners and gives way for countries to explore a more diversified approach. This approach further also focuses on, avoiding to place all strategic eggs in the American basket. The economic-military

⁸⁸ Macias, Amanda. “Russia Is Luring International Arms Buyers with a Missile System That Costs Much Less than Models Made by American Companies.” CNBC. CNBC, November 19, 2018. <https://www.cnbc.com/2018/11/19/russia-lures-buyers-as-s-400-missile-system-costs-less-than-us-models.html>.

⁸⁹ Kasapoglu, Can. “Turkish-Russian Defense Cooperation: Political-Military Scope, Prospects and Limits.” Centre for Economics and Foreign Policy Studies, April 2019. http://edam.org.tr/wp-content/uploads/2019/05/CAN_TURKISH-RUSSIAN-DEFENSE-COOPERATION_13-Mayıs.pdf.

nexus has a direct relation with U.S force posture in terms of the economic limitations that come along with their exports. If these cost-conditionalities constraints stop acting as a trade barrier for countries to export U.S arms, the defense competition environment would look quite different.

The case-study on Turkey and India within this research address the direct and indirect relationship with the cost-conditionalities nexus. In the case of Turkey, this thesis examines to what extent has the role of cost and conditionalities impacted the U.S-Turkey relations. It has further investigated, whether there are other factors involved in the recent developing military ties between Russia and Turkey. The case of India has been analyzed to assess the positioning of its arms exports with Russia and America as global competitors while it holds a U.S-ally tag.

Chapter 6: Causes of The Erosion of U.S Military Advantage

The United States diminishing global military advantage, presence and influence is intertwined with multiple factors. These factors can be divided into two sets, the internal factors and external factors. The internal factors vary from reduced competition, mergers and consolidation and prioritized corporate interests over national security interests. Whereas the external factors range from U.S force posture hampering its military dominance, Sino-Russian competition, and smaller states broadening their defense trading programs leading to shifts in global defense trade and formation of new regional alliances.

This section explores two most important factors, once each from internal and external category. Firstly, the United States force posture in terms of sanctions and too many strings attached with military sales. Secondly, internal competition within the United States defense

industry. Each factor is analyzed to further explain its impact on the loss in global military forte. The internal competition further identifies other factors contributing to the erosion of global military edge whereas, the force posture factor is explored in the context of how the United States loses its defense trading partners to its competitors like Russia and China.

a. Force posture; the problem of sanctions and too many strings attached with military sales

The purpose of this section in the research is to address the ineffectiveness of sanctions in reference to defense trade. The frequent and over use of sanctions is becoming problematic in today's multipolar world. How impactful are United States sanctions in bringing about political outcomes?

The use of sanctions as derived from the United States force posture has multiple political implications for the country in the context of how it exercises its military advantage. These sanctions vary in nature, whether they're on a single individual like the Mexican drug lord 'El Chapo' or entire governments like Iran. The role, extent and nature of these sanctions is an important aspect of whether they yield short and long-term benefits or in fact hamper its international standing. This research has explored the case-study of Turkey in terms of the United States threats of sanctions in the purchase of S-400 from Russia lacking the ability to act as a cudgel sharper.

The U.S practice of using sanctions has led to some success like the negotiations between North Korea and U.S over the nuclear program. But, at the same time sanctions have faced resentment from various allies from Europe, as it acts as a threatening force to their own economic

interests for example, restrictions on trading with Iran or Russia. Such sanctions lead to strained relations with countries, but more so the question of what is the risk of sanction for the long-term stability of the United States in the global world order is relevant? Has the use of sanctions to impact the achievement of specific policy goals failed? ⁹⁰

In the recent light of events, Turkey was followed by India to consider buying the S-400 from Russia. Various public articles and reports highlight the possibility of U.S sanctions placed if India decides to carry out the acquisition. Despite India's move to consider purchase of S-400 raising questions regarding its future military and defense trajectory, it is more important to identify that the aggressive force posture of the United States is undermining its long-term economic, defense and foreign policy strength rather than resulting in favorable results. ⁹¹

The U.S force posture which is reflected in its aggressive stance in matters of defense in the form of excessive sanctions is damaging its political and diplomatic reputation thereby, creating an open field for countries to adhere to their national security interests and pursue defense partnerships with U.S competitors. The weakening impact of the sanctions further translates into diminishing diplomatic and political pressure in the field of defense equipment acquisitions, resulting in the added erosion of United States global military influence.

⁹⁰ Kathy Gilsinan, "A Boom Time for U.S. Sanctions," *The Atlantic* (Atlantic Media Company, May 3, 2019), <https://www.theatlantic.com/politics/archive/2019/05/why-united-states-uses-sanctions-so-much/588625/>

⁹¹ Kimberly Ann Elliott, "Preserving the Power of U.S. Economic Sanctions in a Multipolar World," *World Politics Review*, April 2, 2019, <https://www.worldpoliticsreview.com/articles/27722/preserving-the-power-of-u-s-economic-sanctions-in-a-multipolar-world>

b. Internal competition in United States Defense Industry

The United States defense industry has a domination over the share of global arms sales. U.S is the largest defense spender, holding a budget of over \$586.7 billion in 2017. It is further expected to sustain its superiority within the global defense market. The defense expenditure is forecasted to increase at a compound annual growth rate (CAGR) of more than 5.7% reaching to \$798 billion by 2022.⁹² The U.S defense monopoly is provided by the top defense companies based in the US. These firms are the top producers of major global weapons ranging from hypersonic missiles to fighter jets and combat ships. In 2017 top 100 companies made weapons sales worth \$398.2 billion which was a third-year continuous growth of the industry.

However, it is important to note the U.S companies and defense industry is not monolithic thus, faces global competition. The world's top 10 defense firms that account fall for the growth in 2017 included, one Russian company; Almaz-Antey that made \$8.6 billion worth of arms sales (see figure 20) followed by, one British company; BAE systems making \$22.9 billion of arms sales. Three European companies combined for \$29.2 billion of arms sales which included Leonardo, Thales and Airbus Group. The remaining five are U.S based companies; General Dynamics, Northrop Grumman, Raytheon, Boeing and Lockheed Martin. These companies comprised a total of \$137.6 billion of arms sales whereas, the Russian, British and European comprise arms sales of \$60.7 billion.⁹³ Figure 22 shows that out of these top ten companies, 30%

⁹² *Research and Markets, "United States Defense Industry Report 2017-2022," PR Newswire: press release distribution, targeting, monitoring and marketing, June 27, 2018*

⁹³ *Amanda M Macias, "American Firms Rule the \$398 Billion Global Arms Industry: Here's a Roundup of the World's Top 10 Defense Contractors, by Sales," CNBC (CNBC, January 10, 2019), <https://www.cnbc.com/2019/01/10/top-10-defense-contractors-in-the-world.html>*

share is of non-U. S companies, thus reflecting the contribution to arms sales which further translates into United States defense industry being heavily competed with. One of the competitors is Almaz-Antey, a Russian arms production company. Therefore, the Russian penetration in the global arms market gives rise to higher competition for the U.S market.

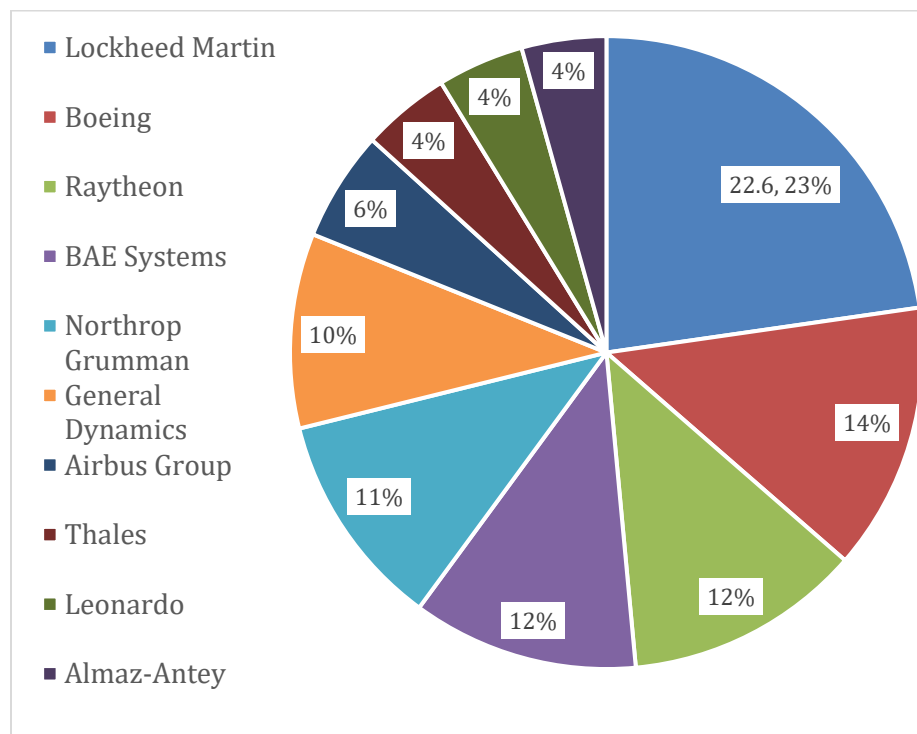


Figure 20: Top Ten Defense Companies Arms Sales 2017

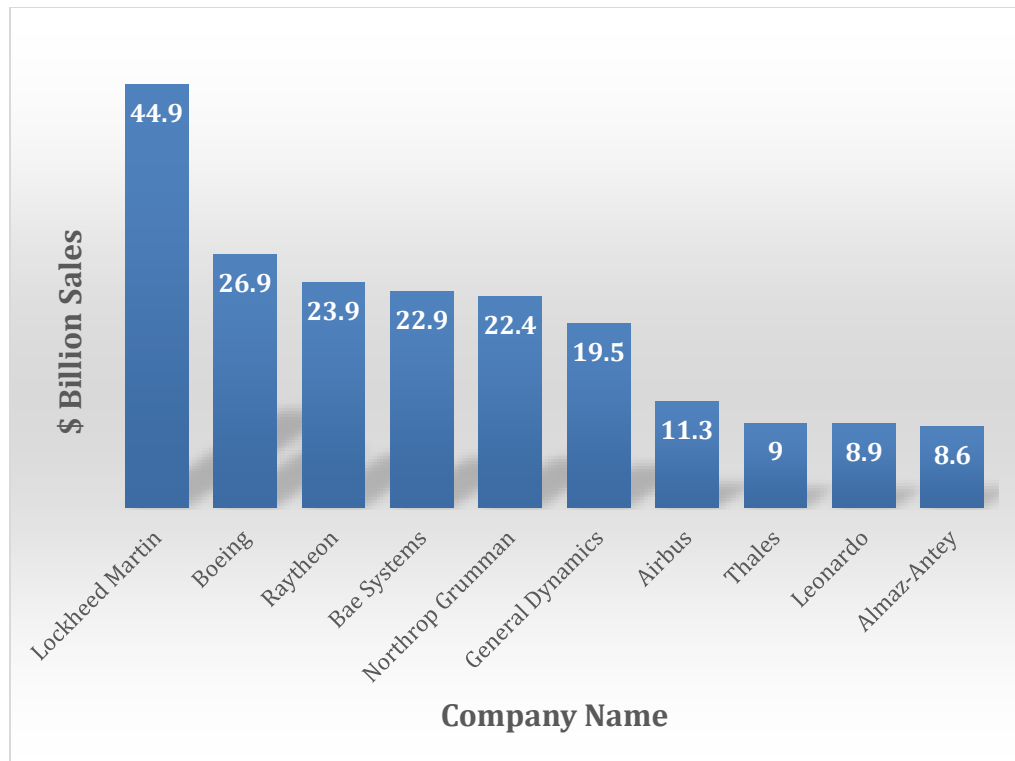


Figure 21: Top Ten Global Defense Contractors

To compare the top five U.S based companies, Lockheed Martin made maximum sales, worth \$44.9 billion thus, reflecting domination within the U.S defense industry. It has the first position within U.S defense industry comprising of 32.6% of total sales whereas, Boeing holds the second position with a 19.5% share. However, the gap between both companies has increased from 11% billion in 2016 to \$18 billion in 2017, thus, reflecting Lockheed Martin's continuous growth and monopoly within the U.S defense market. Other companies together have a share of 47.6%; Raytheon 17.3%, Northrop Grumman 16.2% and General Dynamics 14.1%. With the above figures it is also fair to conclude that Lockheed Martin holds the position of being the world's

largest arms producer with arms sales of \$44.9 billion in 2017 alone.⁹⁴ But that does not translate into absolute monopoly since within the U.S defense industry it faces challenges from other companies whereas, globally it has major competitors too.

This paper traces back the section on risk factors impacting the U.S industrial base that expanded the dynamics of competition with competitors, respectively with China however, the research now elaborates the impact of internal competition within the U.S defense industry. What does Lockheed Martin's monopoly say about the United States internal competition? Is the United States defense industry monolithic?

The report on Assessing and Strengthening the Manufacturing and Defense Industrial Base and Supply Chain Resiliency of the United States outlines various factors of the decline of the U.S defense industry in terms of its manufacturing capabilities and capacity. Some of these factors include loss in manufacturing workforce, offshoring of manufacturing and reduced technical innovation. But one of the main factors that is quite significant in shaping the erosion of military advantage is the pattern of diminishing competition internally within the defense industry. Whereas, globally the erosion is characterized by the rise of competition due to other competitors infiltrating the market. The opposite shifts in internal-external competition for the U.S defense industry will eventually lead to intensified military erosion and contribute to the United States defense industry being impacted in terms of weapons sales and share, as well as in power exercising.⁹⁵

⁹⁴ "Global Arms Industry: US Companies Dominate the Top 100; Russian Arms Industry Moves to Second Place," SIPRI, December 10, 2018, <https://www.sipri.org/media/press-release/2018/global-arms-industry-us-companies-dominate-top-100-russian-arms-industry-moves-second-place>)

⁹⁵ "Assessing and Strengthening the Manufacturing and Defense Industrial Base and Supply Chain," Department of Defense (Inter-agency Task Force, n.d.), accessed November 4, 2019)

The internal competition within the U.S defense industry is based on various reasons, ranging from company mergers to decline in the manufacturing base. A specific example of this is the shipbuilding sector which carries out naval equipment construction and maintenance. The equipment includes, aircrafts, submarines, weapons and command control systems. 6 out of 10 industries within the naval shipbuilding sector were in the manufacturing sector, but these industries faced a drop-down in 2000 of over 20,500 U.S establishments due to the global shift in industrial base. Till the 2000s China held a share of 15% in global machine tool consumption, but by 2011 its share increased to 40% of the global total. Such external shifts and challenges absorbed by the U.S defense industry limit the capacity of the industry's production and long-term growth, hampering not only the U.S economy but also weakening its global position in terms of its military edge.⁹⁶

Furthermore, within the internal competition the problem of monopoly, company mergers and controlled government contracts heighten the erosion of global military supremacy. The history of Lockheed's merger with Martin in 1995, and later in 2015 the \$9 billion acquisition of Sikorsky Aircraft Corporation reflects the monopolization of the industry internally thus, facing greater challenges in the global market. Mergers and consolidation amplify the reduction in competition, innovation and military advancement.⁹⁷ Between 1993 and 2000, the number of prime contractors dropped down from 50 to 6 that took advantage of team bids to government contracts,

⁹⁶ "Assessing and Strengthening the Manufacturing and Defense Industrial Base and Supply Chain," Department of Defense (Inter-agency Task Force, n.d.), accessed November 4, 2019)

⁹⁷ Gareth Evans, "Defence Mergers: Could Growing Monopolies Signal the End of Innovation?" *Army Technology*, April 4, 2016, <https://www.army-technology.com/features/featureddefence-mergers-could-growing-monopolies-signal-the-end-of-innovation-4809434/>)

threatening competition and military edge negatively.⁹⁸ With such great size and concentration, power is misused, and corporate advantage is placed above national security interest.

While the United States government heavily relies on single sourced contract route thus, raising the question of clash between corporate and national security interests. It is observed that the government is hostage to one company, Lockheed Martin thus, undermining its democratic values. Lockheed Martin's 2018 annual report mentions that 70% of their net sales were derived from government contracts, whereas 60% were from the department of defense (DoD). The company further expected to boost its sales from government contracts which are provided based on the continued 'Congressional appropriations'.⁹⁹

Together all these factors represent how diminishing competition and diversification can further raise costs and hamper innovation, thus ending into amplified erosion of global military might. Another recent news observed in the defense industry is about the merging of Raytheon and United Technologies Corporation's defense division. This will further threaten the decreased military might of the country.¹⁰⁰ In order to maintain the existing global military power, it is important for the country to control concentration, mergers, eroding innovation and reduced competition. Sustenance of the United States military-industrial complex is subject to firstly,

⁹⁸ Gregory Sanders and Zach Huitink, "Evaluating Consolidation and the Threat of Monopolies within Industrial Sectors," *Evaluating Consolidation and the Threat of Monopolies within Industrial Sectors* | Center for Strategic and International Studies (CSIS Defense Industrial Initiative Group, November 6, 2019), <https://www.csis.org/analysis/evaluating-consolidation-and-threat-monopolies-within-industrial-sectors>)

⁹⁹ "Lockheed Martin Corporation 2018 Annual Report," Lockheed Martin, accessed November 4, 2019, <https://www.lockheedmartin.com/content/dam/lockheed-martin/eo/documents/annual-reports/2018-annual-report.pdf>)

¹⁰⁰ Mark Thompson, "The Incredibly Shrinking Defense Industry," *Project on Government Oversight*, accessed November 4, 2019, <https://www.pogo.org/analysis/2019/08/the-incredibly-shrinking-defense-industry/>)

prioritizing national security concerns above corporate interests and secondly promote a diverse and dynamic defense industrial base with heightened competition in the context of winning government contracts.

Chapter 7: Is There A Way Back?

There are various interconnected conditions that apply to the case of whether the United States can lead its way back to the return of its global military supremacy. There are multiple reasons that may or may not favor the U.S to establish a dominating global military power in the international order. The findings of this thesis determine the challenges for U.S global military edge. These challenges include the following set of internal and external factors:

Internal Factors

1. The United States defense strategy

The United States defense strategic concept is under scrutiny considering its force posture and the implications it has for the changing new world order. Its force posture as mentioned in its Defense Strategy of 2018 in fact limits the goal of **‘preserving peace through strength’** and curbing the **‘eroding cohesion among allies and partners, and reduced access to markets’**

‘A more lethal, resilient, and rapidly innovating Joint Force, combined with a robust constellation of allies and partners, will sustain American influence and ensure favorable

*balances of power that safeguard the free and open international order. Collectively, our force posture, alliance and partnership architecture, and Department modernization will provide the capabilities and agility required to prevail in conflict and preserve peace through strength.’*¹⁰¹

America’s force posture has helped throughout the years for difficult negotiations; ranging from its war on terrorism to restricting countries from nuclear proliferation and shaping alliances on its own terms. But, the existing fluctuations within the security environment whereby, the U.S identifies global competitors like China and Russia; regional competitors like Iran and North Korea, and finally terrorist networks as a major threat poses different kind of risks to the American national security. Today the United States faces a set of challenges, very different from the past; countering shifts in Indo-Pacific, Europe and threats faced by terror networks.

Considering the changing nature of international landscape, the use of force posture and hard policy in terms of sanctions, lethal force, preserving peace by strength will neither ‘strengthen alliances’ nor ‘attract new partners.’ Iran’s current status of resuming uranium enrichment, Turkey’s acquisition of S-400 and India’s potential to acquire the S-400 despite threat of U.S sanctions are examples that reflect the U.S policies based on force posture towards international order does not have the same output as it did in the past. If anything, the current strategy will yield more damaging results in the form of disintegration of alliances and erosion of military partnerships.

The United States defense strategy’s scope, objectives, outlined policies and approach will play an important part in whether the United States can pave its way back in terms of the eroding

¹⁰¹ “Summary of the 2018 National Defense Strategy,” U.S Department of Defense, n.d., <https://dod.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>

global military edge. A shift in force posture into a more cooperative strategy defined by partnership, competition and strengthening alliances through diplomacy and negotiations would be favorable in sustaining the United States military might and influence within the global security order.

2. United States defense industry's declining manufacturing base

U.S declining defense base is triggered by monopoly, company mergers and controlled government contracts. As explained earlier in the research, the internal competition in the United States defense industry is subject to extreme centralization and mergers; Lockheed Martin alone has 32.6% of arms sales, holding first position in the industry whereas, Boeing holds the second position with 19.5% worth of arms sales.¹⁰² This reflects how more than 50% share of U.S defense industry is in control of two companies. As identified by the Manufacturing and Defense Industrial Base report one of the main causes of a declining industrial base is the loss of capabilities and capacities thus, impacting a healthy competition within the industry.

Furthermore, centralization has further aggravated declining prime contractors which dropped from 50 to 6 therefore, exhibiting a tight control on government contracts. Limited contractors provided to the government prioritize corporate interests over national security interests as observed in Lockheed Martin's pattern of deriving 70% of its net sales from government contracts

¹⁰² Gregory Sanders and Zach Huitink, "Evaluating Consolidation and the Threat of Monopolies within Industrial Sectors," *Evaluating Consolidation and the Threat of Monopolies within Industrial Sectors* | Center for Strategic and International Studies (CSIS Defense Industrial Initiative Group, November 6, 2019), <https://www.csis.org/analysis/evaluating-consolidation-and-threat-monopolies-within-industrial-sectors>

in 2018.¹⁰³ However, the monopolization within the industry does not by any means represent the monolithic nature of the U.S defense industry, as internal loss of competition is the triggering factor for other competitor nations challenging U.S industrial base.

The declining innovation and manufacturing base within the U.S defense industry can eventually lead to higher competition posed by China and Russia, translating into the further erosion of U.S military control. On the other hand, addressing the issue of centralization, controlled government contracts and monopoly can allow the U.S to counter the process of erosion and declining influence.

External Factors

3. Increased market share of the United States competitors

The United States defense industry faces extreme competition by regional opponents mainly, China and Russia. China's conventional arms sales rose to \$645 million to \$1.04 billion from 2008 to 2018. 75% of these exports went to Asia while 20% went to Africa. Mostly Chinese arms exports recipients are neighboring countries however, it still accounts for an increased market share aggressively competing with the United States.¹⁰⁴

¹⁰³ “Lockheed Martin Corporation 2018 Annual Report,” Lockheed Martin, accessed November 4, 2019, <https://www.lockheedmartin.com/content/dam/lockheed-martin/eo/documents/annual-reports/2018-annual-report.pdf>)

¹⁰⁴ “How Dominant Is China in the Global Arms Trade?” ChinaPower Project, n.d. <https://chinapower.csis.org/china-global-arms-trade/>.

Considering Russia's defense industry, recent shifts have been observed in terms of significant growth of Russian defense companies. For the first time, Almaz-Antey; Russia's largest arms producing company was ranked with U.S companies in top ten for global arms sales. Moreover, Almaz-Antey increased its arms sales to 17% to \$ 8.6 billion in 2016. The significant growth and infiltration in global arms industry symbolize Russia's military modernization. Other growth trends within the Russian defense market are seen with the three Russian firms increasing their arms sales more than 15%. United Engine by 25%, High Precision Systems by 33% and Tactical Missiles by 19%. Russian companies boosted their arms sales more than 8 % in 2017.¹⁰⁵

For the United States to respond to high rise of global defense competition it would require boosting innovation and strengthening its defense partnerships. Moreover, it would need to overtake the benefits that Russian and Chinese arms offer. The cost-conditionalities factor whereby, Russia and China exercise greater leverage with defense trading partners in the context of reduced costs and lesser conditions attached to arms sales is a crucial implication for global competition and defense market share.

¹⁰⁵ Michael Peck, "Russia: Now Number 2 in Military Sales (Any Guess Who Is Number 1?)," *The Center for the National Interest*

4. An increased global disorder i.e. growing powers such as China and Russia in terms of their expansionist agenda both economically and militarily

- a. China's economic advancement, its Belt and Road Initiative and military modernization in Asia, Africa and the Middle East

This thesis expands into China as a case-study to address its economic advancement coupled with its military development. The findings within this research include mainly the Belt Road Initiative – as an undercover military expansionist project. The first step towards military expansion is control of economic tools, which China is seen to be advancing towards. Along economic control that China exercises it is militarily advancing through these investments in BRI member countries.

The economic-military nexus plays a key role in the case of China overtaking the United States as the number one military spender, allowing the latter to lose its military edge. China's economic investments in Iran, Pakistan and Djibouti as well as various other BRI members is paired with military partnership. In the case of Iran, deploying security personnel in the name of protection of economic investments, in Pakistan establishing the Gwadar port in a tightly-secured environment posing militarized benefits in terms of maritime presence in the Indo-Pacific region, and lastly Djibouti where China has a naval base symbolizing a defense policy shift.

The collaborated economic-military efforts define the return of China as a global power in the great power politics. This contributes heavily to the United States eroding global military presence. The military capabilities China possesses are becoming threatening to U.S military

influence as compared to the past. China's policy in developing newer tools to counter U.S remain prevalent in terms of military modernization and economic development. As compared to Russia, China poses a great threat and risk to the American national security therefore, a policy to deter Chinese expansion is a dire need of the present.

b. Russia seeking global hegemony

The return of a global Russia entailing rebuilding of strategic partnerships, expanding military base, boosting arms sales with NATO members challenges U.S power across the globe. It is important to determine whether Russia is one of the main players in the international order or can it replace the United States as a superpower? Considering Russia's military approach towards U.S allies; mainly Turkey and India the findings of this research identify Russia as a defense competitor however, in relative terms the military power it is expanding is not to a great extent. Almaz Antey has intruded into the global arms sales however, the global share is still small; only at 4% therefore, the U.S faces an immediate threat by China in the process of its global military erosion rather than Russia. Russia can be regarded as a regional power since much of its customer base in terms of arms sales is centered in Asia and Oceania. It has been observed to increase its exports in Middle East however, if that narrowed down to mostly to Iraq and Egypt thus the extent to which Russia would exercise its influence is contested.

However, current U.S-NATO relations are in direction conflict with Russia's positioning. U.S policies towards NATO initiate a vacuum creation for Russia to impact U.S influence in Western Europe. Increasing partnership with NATO members would allow the former to weaken U.S

influence thus, impacting European security. Russia can potentially utilize Turkey to weaken U.S influence however, at the same time face backlash from other NATO members.

Lastly, despite the United States identifying Russia as a possible threat it is important to consider that a country's influence is not limited to its military might, and in the case of Russia, its economic size, productivity, technology and management skills as well as diplomatic strength do not match United States pace. The developments in the arena of science, culture and education are all important factors which Russia still lags far behind.

5. Re-emergence of strategic partnerships and shifting of alliances impacting regional and global stability

Aggressive regional challengers - North Korea, Turkey and Iran are broadening their military partnership with the United States global competitors, mainly Russia and China. The reemergence of these powers is leading to a shift in the existing alliances whereby, these states are establishing regional blocs to threaten American interests and global influence. Mutual interests include competitor states expanding their military capabilities to replace the U.S as a global power, and regional powers benefiting from diversifying their defense interests; both striving towards exerting greater pressure on U.S. While China and Russia exercise power on U.S alliances, smaller states find this as an opportunity to skillfully rise out of American influence.

The change in geopolitical ambitions is a collaborated economic-military effort by global and regional powers. The threat the United States faces from Iran will be amplified in the case of a China backed Iran. The same case applies to North Korea, in the eventuality of Russia strengthening ties with the former. The reemergence of strategic partnership and new alliances

together with threats from terrorist networks and a declining global U.S military influence will weaken U.S hegemonic status. The rules of international order will be governed by multiple competing actors.

Finally, while these above-mentioned factors interplay in determining whether there is a way back for the United States to restore its eroding global military power, it is also important to identify the measurement of erosion. Therefore, the argument this thesis represents is that the erosion of military edge is not in monetary terms. Thus, the United States can have the highest military expenditure and can still be the number one arms exporter, but despite that it is facing an erosion of its military advantage. This erosion is calculated in terms of the United States ability to perform single-handedly in dictating the rules of international order, its loss of partnerships and alliance, its inability to curb competitors from infiltrating the defense industry and finally unsuccessful in countering the competition and threat it faces from revisionist powers.

Chapter 8: Conclusion

This thesis is about the United States eroding global military supremacy, and whether it can pave its way back to exercising absolute power and influence within the international order. To address the question, the research considers Russia and China as a case-study analyzing the impact of their military implications and expansionist tendencies on the balance of military edge that the U.S exercises globally. It narrows down these case-studies in examining the influence they yield within the Middle East, Asia and Africa thus, causing challenges for the U.S in these respective regions.

The research identifies various causes for the erosion which entail firstly, the weakening U.S defense industrial base, whereby reduced competition and monopolization leads to controlled government contracts - reflecting the prioritization of corporate interests over national security interests. The American defense industry is currently controlled by two leading firms, Lockheed Martin which holds 32.6% of arms sales, and Boeing with 19.5% worth of arms sales. Lockheed Martin specifically derives most of its sales and profits from government contracts, therefore, the politicization of the corporate sector is an obstacle in the way of achieving national interests. The monopoly of two major companies within the defense industry acts as a barrier to healthy competition, innovation and economies of scale. Secondly, the United States defense strategy is inefficient in meeting the demands of a new security environment. It lacks the ability to formulate policies that match the changing nature of global security and shifting of alliance. The defense strategy still implies the traditional power structure which is incompatible with the new emerging threats. Direct utilization of forceful tactics for defense is a major driver for the U.S diminishing

global power. The absence of economic initiatives, cooperation and forming partnerships based on mutual interests is a key in determining the erosion of U.S domination. Thirdly, the research highlights U.S force posture as a cause for the reduced domination. The politics of sanctions and hard line policies fails to attract new partners rather, causing a break-down of existing strategic partnerships. The case of Turkey's acquisition of Russian S-400 is analyzed to determine the impact of sanctions on nations.

Lastly, increased inter-state competition in the form of reemergence of China and Russia as revisionist powers is yet another cause for the declining U.S military might. Both case-studies observed a pattern of utilization of soft power in the form of economic resources, diplomacy and negotiations to attain national security interests. Russia and China's defense strategy vary from the U.S defense strategy to a great extent. While the latter prioritizes use of force posture, sanctions, lethal force and sanctions, the revisionist powers extend their influence through attracting new economic-defense partners. China has successfully developed partnerships with various countries in the Middle East, Asia, Africa and Europe through its global development project, the Belt Road Initiative (BRI). Using the economic gains, it is further expanding its military might and presence within member countries. The Belt Road Initiative characterized by debt-trap diplomacy reflects to be an undercover military project whereby, China infiltrates into countries while providing cheap loans with lesser strings attached. On the other hand, Russia is also extending out defense partnerships in the form of arms sales at lesser price with lesser strings attached compared to the United States. As both countries continue to pursue their expansionist strategies, the United States would face multiple challenges externally and internally.

Therefore, while these tectonic shifts are observed in the global geopolitical landscape, the United States would need to adopt a range of strategies to overcome its eroding global military dominance and sustain the existing advantage it has. The answer to the research question is dependent on the policies that the United States will pursue which then determine whether it can pave its way back or face increased erosion.

While competitor states use military, economic, political and diplomatic tools to challenge the United States global military influence, this research suggests a policy shift that can curb competition. The strategies the United States can endorse to restore and protect its global military power, mainly focus around laying out operational concepts that enable U.S to constraint China, Russia and other key states from expanding their sphere of influence. These strategic concepts include firstly, U.S translating its force posture into exercising soft power in the form of negotiations, large-scale global development projects and creating a culture of dependency in order to attain its defense objectives under the cover of soft power. United States defense approach relies heavily on deterring regional threats through exercising its power. As compared to China and Russia, that are using economic development and defense partnerships to extend this influence. The latter do not dictate their terms while negotiating economic-military agreements, whereas, the United States economic aid and defense trade comes along with impacting conditions. Recent International Monetary Fund (IMF) aid to Pakistan demanded increased scrutiny for debt payable to China, and various other conditions attached. Such dimensions compel recipient countries to reconsider future partnerships.

Secondly, addressing the inefficiency of U.S defense industry by boosting innovation and promoting competition will assist in overcoming the process of erosion. However, there remains a

clash between policy makers and the interests of U.S defense industry since corporate gains are given an edge over national security concerns. The problem of monopolization within the defense industry that holds a dominant position in acquiring government contracts limits the possibility of growth. A conflict of interest within the defense industry and government machinery is observed which arises from placing corporate leadership in government roles. A key example of this is the case of Patrick Michael Shanahan who served as a senior vice president for Boeing and was also a member of the Boeing Executive Council before holding the position as an Acting U.S Secretary Defense in 2019. Thus, policy makers give preference to boosting company growth rather than industrial innovation.

Thirdly, promoting U.S arms sales across different regions rather than concentrating sales to a specific region contributes to the diminishing global military power. Currently, Saudi Arabia is the largest U.S arms importer, thus the U.S would need to diversify its defense market and customer base in order to regain its military power. In order to increase and diversify its arms sales, the U.S would need to reflect on the cost-conditionalities factor as revealed in this thesis which allows Russia and China to absorb U.S market share. Most nations today in an altering security setting prefer to purchase arms with less strings attached which the United States does not offer. It would be vital to consider whether the United State can sell arms at a reduced price and with lesser conditions?

The premise in this study states that the United States can pave its way back in reinstating its global military strength dependent on the factors provided. Nevertheless, there is still a broader debate about firstly, can the United States still fail to defend its global influence despite bringing a policy change? Therefore, the impact of United States strategic concept has far-reaching effects.

It can shift from a force posture which discourages global hegemony and deters regional threats in protecting its own interest to a new strategy characterized by encouraging cooperative international community through establishing alliances and using soft power. Nevertheless, it can still fail to acquire its previous dominant position. Secondly, another opposing view in the broader discussion is that military might, and sales of weapons comes with a burden for the United States policy-makers. These concerns are in the context of potential for misuse and violation of human rights by the general public. Furthermore, the discourse on whether maximizing military power positively influences American security or not is also relevant and controversial. Arms sales providing security to the American interests is arguable to quite an extent since it's already existing geography, a secure nuclear arsenal and promising economic conditions pose less threat to the national security of the U.S.

On the contrary, in terms of declining influence the role of military might is to a great extent positive. Military edge and sales of arms provide an extended sphere of power on nations. Therefore, after providing a case for U.S paving its way back and a case against U.S military supremacy, the findings of this research concludes and suggests that in order to refrain from unstable security environment the United States should reconsider its strategic outlook. Encouraging a policy shift by promoting global development initiatives coupled with favorable arms sales, strengthening regional alliances, boosting innovation and diversity in its defense industry, addressing controlled government contracts, limiting conflicts of interests and building a culture of dependency can reestablish its global military domination.

Despite the United States defense strategy accepting newer challenges and a dire need for countering these confrontations, it still lacks a shift of policy in attending to the changing world order. The declining of U.S military edge in various regions is majorly caused by Chinese and

Russian efforts in framing out counter defense strategies and newer models to weaken the U.S power. The United States observes the altering patterns in revisionist powers defense strategies and lays an emphasis on deterring their rapid expansion, but even then, fails to initiate a newer policy. Even today the focus of the strategy symbolizes building lethal force, using coercion, modernizing capabilities and winning competition. If the United States wants to restore and sustain its existing military might, the need for a strategic change would be inevitable. The future of U.S prosperity will be determined by the counter narrative to the reemergence of revisionist powers. For the status-quo to alter, a defense strategy fighting the changing nature of war will further shape the fate of the United States global military advantage and positioning in the international order.

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